Daily Report

Latin America

FBIS-LAT-95-217
Thursday
9 November 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Latin America

FBIS-LAT-95-217 *9 November 1995*

CONTENTS

INTERNATIONAL AFFAIRS

Reportage on Group of 15 Announcements, Meetings 1
Highlights of Final Declaration *[Madrid EFE]* 1
Leaders 'Repudiate' Rabin's Assassination *[TELAM]* 2
Businessmen Discuss Ties, Investments *[Madrid EFE]* 2
Leaders Hold Talks, Address G-15 Summit in Buenos Aires 2
Argentina's Menem Opens Summit *[Madrid EFE]* 2
Menem Discusses Unemployment *[TELAM]* 3
Menem, Zimbabwe's Mugabe Close Summit *[Buenos Aires TV]* 3
Menem, Mugabe Hold News Conference *[TELAM]* 6
Argentina's Di Tella Meets Counterparts *[TELAM]* 7
Brazil's Cardoso on Poorest Countries' Debt *[AGENCIA ESTADO]* 7
Cardoso on Corruption, Terrorism, Drugs *[AGENCIA ESTADO]* 7
Chile's Frei Discusses Summit Goals *[Santiago TV]* 8
Frei on Goals for Economic Growth *[Buenos Aires TV]* 8
Chile's Insulza Urges Financial Talks *[Madrid EFE]* 10
India's Rao Addresses Summit *[Delhi TV]* 10
Indian's Mukherjee on Nuclear Issue *[CLARIN 4 Nov]* 12
Mukherjee on Trade With Developed Countries *[Delhi TV]* 13
Indonesia's Alatas, Egypt's Musa on Rabin *[Jakarta ANTARA]* 13
Malaysia's Mahathir Addresses Session *[Kuala Lumpur TV]* 13
Mahathir Calls For More G-15 Members *[Kuala Lumpur BERITA HARIAN]* 13
Malaysia's Abdullah on G-15 Membership *[Kuala Lumpur Radio]* 14
Peru's Fujimori Cancels Attendance *[NOTIMEX]* 14
Senegal's Thiam Addresses Summit *[Buenos Aires TV]* 15
Venezuela's Caldera on Summit Importance *[Caracas TV]* 16
Caldera on Economy, Summit Goals *[Caracas TV]* 16

INTER-AMERICAN AFFAIRS

Further Reportage on Conference of Americas Armies 17
Argentina's Defense Minister Comments *[TELAM]* 17
Chile's Pinochet Makes Appearance *[TELAM]* 17
Army Officials on Confidence Measures *[TELAM]* 17
Reportage on ALADI Meetings in Montevideo 18
Bolivian Minister on ALADI Role *[Madrid EFE]* 18
Venezuela's Caldera Visits *[TELAM]* 18
Peru's Fujimori Addresses Andean Parliament on Integration *[EL COMERCIO 28 Oct]* 19
OAS Forum on Corruption Closes in Montevideo *[Madrid EFE]* 19
OLADE Meeting in Quito To Debate Energy Network System *[Quito Radio]* 20

CARIBBEAN

Cuba

Ambassador To Iran Interviewed on 'Strategic Friendship' *[RESALAT 18 Oct]* 21
Foreign Minister Comments on License To Travel *[Havana Radio]* 23
Menoyo Urges End of U.S. Travel Restrictions to Nation *[PRENSA LATINA]* 23

Further Reportage on Nation, Emigration Conference 24
Politburo Member Closes Conference *[Havana Radio]* 24
Commentary Views Results of Conference *[Havana Radio]* 25
Journalist Assesses Conference *[Havana Radio]* 26
Envoy Addresses Deputies on U.S. Measures *[Bratislava Committee Handout]* 27
Politburo Members Review Problems in Pinar del Rio *[Havana TV]* 31
Foreign Minister on Human Rights Conference *[PRENSA LATINA]* 32
Admits 'Isolated' Rights Violations *[NOTIMEX]* 33
Havana South Water Mains Suffer 'Serious' Damage *[Havana TV]* 33
Roundup of Economic Developments Through 7 Nov *[Havana Radio, etc.]* 34

Dominican Republic

Cuban Airline Pilot Requests Asylum, Abandons Airplane *[Madrid EFE]* 34

Haiti

President Condemns Attack on Lavalas Deputies *[Port-au-Prince Radio]* 35
Police Arrest Former Colonel, Question Avril's Relatives *[Port-au-Prince Radio]* 35
Avril Takes Refuge in Consulate *[Port-au-Prince Radio]* 35
People's Organizations React to Attack on Deputies *[Port-au-Prince Radio]* 36

MEXICO

President To Promote Investments, Regional Unity at APEC *[NOTIMEX]* 37
President Meets With Canadian Industry Minister *[Mexico City TV]* 38
Senate Plenum Declaration Condemns Speculative Rumors *[Mexico City TV]* 38
Privatization of Petrochemical By-Products Industry Viewed *[Mexico City TV]* 39
Oil Workers Oppose Pemex Privatization *[LA JORNADA 31 Oct]* 40
Manufacturers Association Chief Supports Alliance's Goals *[EL FINANCIERO 2 Nov]* 42
Judge Acquits EZLN Commander of Sedition, Other Charges *[NOTIMEX]* 42
Six States To Hold Elections on 12 Nov *[NOTIMEX]* 43
Puebla Governor: Everything 'Ready' for Elections *[Mexico City TV]* 44
Roundup of Economic Developments Through 6 Nov *[NOTIMEX, etc.]* 44

CENTRAL AMERICA

Guatemala

President Interviewed on Elections, Economy *[Mexico City Radio]* 48
SIECA Says NAFTA Prompts Companies To Leave Region *[PRENSA LIBRE 4 Nov]* 49
URNG Issues 'Urgent Declaration' on Kidnapping Case *[PRENSA LIBRE 7 Nov]* 50
President Views Problem of Returnees From Mexico *[City SIGLO VENTIUNO 3 Nov]* 50
Police Seize 482 Kilos of Pure Cocaine *[LA NACION 6 Nov]* 51

Honduras

CODEH President Accuses Army Chief of Lying *[LA TRIBUNA 7 Nov]* 51
Holland Donates $8.6 Million for Debt Payment *[LA NACION 6 Nov]* 52

SOUTH AMERICA

Argentina

Former NCO Confesses To Participation in AMIA Case *[NOTICIAS ARGENTINAS]* 53
Judge Plays Down Confession *[NOTICIAS ARGENTINAS]* 54

Communist Party Reelects Echegaray Secretary General *[TELAM]* 54
Buenos Aires Votes For UN Resolution on Cuba Embargo *[LA NACION 3 Nov]* 55
Editorial Views Menem's Meeting With UK's Major *[CLARIN 3 Nov]* 55

Brazil

President Views Prospects for Reelection *[Rio de Janeiro TV]* 56
Editorial Views Political Role of Landless People's Movement *[O ESTADO DE SAO PAULO 3 Nov]* 56
Movement Operates Like 'Large Company' *[O GLOBO 5 Nov]* 57
Private TV Station To Launch Satellite *[AGENCIA ESTADO]* 58
Senate Approves Oil Monopoly Amendment in Second Voting *[Brasilia Radio]* 58
Banks To Commit Loans to Environmental Preservation *[Brasilia Radio]* 59
Brazilian Disrespect for Trade Agreements Noted *[Rio de Janeiro TV]* 59
Reserves Hit Record $48.7 Billion *[GAZETA MERCANTIL 23 Oct]* 60
States' Financial Woes Add to Deficit *[GAZETA MERCANTIL 23 Oct]* 60
Public Debt Rises to R75.1 Billion *[GAZETA MERCANTIL 23 Oct]* 62
Influx of Foreign Capital on Rise *[O ESTADO DE SAO PAULO 23 Oct]* 63
Mercosur Partners Assess Accord *[GAZETA MERCANTIL 25 Oct]* 63

Chile

Foreign Minister Meets Argentine, Peruvian Counterparts *[EL MERCURIO 11 Nov]* 64
Pinochet Warns About Communism, Denies Candidacy *[Madrid EFE]* 64
Government Submits Human Rights Agreement to Senate *[Santiago TV]* 65
Nation Elected Alternate Member of UNGA *[Madrid EFE]* 66
Defense Minister: Civilian-Military Dialogue Resumed *[EL MERCURIO 7 Nov]* 66
Court Rejects Request To Prosecute Former CNI Chiefs *[Santiago TV]* 66

Colombia

Opposition Leader Urges Samper To Allow Investigation *[Santa Fe de Bogota Radio]* 66
Samper Communique Rejects Proposal *[Santa Fe de Bogota TV]* 67
Foreign Trade Minister Submits Resignation *[NOTIMEX]* 67
Other Ministers Consider Resigning *[Santa Fe de Bogota TV]* 67
Prosecutor's Office Reaches Pact With Campaign Treasurer *[Santa Fe de Bogota TV]* 68
Army Captures FARC's Top Urban Militia Commanders *[Madrid EFE]* 68

Ecuador

President Signs Energy Contract With U.S. Firm *[Quito Radio]* 68
Social Security Institute Campaigns Against Plebiscite *[Quito Radio]* 69

Peru

Foreign Minister Views U.S. Military Aid, Arms Embargo *[Lima Radio]* 69
Fujimori Opposes Court Decision on Shining Path Leader *[LA REPUBLICA 22 Oct]* 70
State of Emergency Extended in Cusco Provinces *[Lima TV]* 71

Venezuela

Ministry Considers IMF Recommendation on Subsidies *[Caracas TV]* 71
President: Date To Sign Letter With IMF Not Set Yet *[Caracas TV]* 71
Defense Minister Meets Colombian Counterpart *[Santa Fe de Bogota TV]* 72
Minister Presents 'Venezuelan Agenda' During Japan Visit *[EL GLOBO (ECONOMIA Supplement) 3 Nov]* 72

Reportage on Group of 15 Announcements, Meetings

Highlights of Final Declaration

PY0811023895 Madrid EFE in Spanish
1846 GMT 7 Nov 95

[FBIS Translated Text] Buenos Aires, 7 Nov (EFE) — The forum of developing countries called Group of 15 (G-15) requested today "an urgent and definitive" solution to the problems of the poorest countries' foreign debt and a "new dialogue" with the great powers.

"We need a stable macroeconomic framework, stable markets, more support in the area of financial resources, and an injection of technological dynamism," says the declaration of the Fifth G-15 Summit, which ended in Buenos Aires.

The G-15 comprises seven countries of the Americas (Argentina, Brazil, Chile, Jamaica, Mexico, Peru, and Venezuela), five African countries (Algeria, Egypt, Nigeria, Senegal, and Zimbabwe), and three Asian countries (India, Indonesia, and Malaysia).

The document also calls for "urgent actions" to control speculative capital and asks industrialized countries "to resist the temptations of protectionism."

The declaration, called "International Economic Cooperation for the Year 2000 and Beyond," urges the international community to fight poverty and unemployment and to increase the aid from international credit organizations.

The challenges posed by the "globalization" of world economies, the flow of capital, financial issues, integration, poverty, unemployment, migration, and cooperation for development are the issues discussed by the document.

The declaration stresses that "it is necessary to ensure" that processes of regional and inter-bloc integration "contribute to trade deregulation and the reduction of obstacles and not to the fragmentation of international trade."

"Urgent international action is required to achieve a reasonable stability of foreign exchange and interest rates and to put an end to the insecurity and volatility produced by capital flows, which affect developing countries with particular force," the document says.

The declaration asks for guarantees so that the WTO "might be capable of promoting and maintaining a commercial system that is truly open, clear, multilateral, and beneficial for all countries."

The deregulation of world trade "must continue" in the hands of the WTO, "taking into account developing countries' interests."

Industrialized countries "should not strain the employment situation in developing countries by imposing trade barriers or restrictions," the document says.

"Developing countries' broad access to markets, with its positive effects on employment, will provide the most efficient barrier against disorderly immigration," the declaration stresses.

The G-15 declaration says that "structural unemployment in industrialized countries should not be an obstacle for the intensification of trade relations and investments in developing countries."

"The new world political framework that emerged at the end of the 'Cold War' must contribute to creating closer relations between North and South," the document points out.

The G-15 asks for "an urgent and definitive solution" to the debt problem of poorer countries, particularly in the case of obligations contracted with international multilateral organizations.

"Some African countries continue suffering the heavy burden of the foreign debt, the interest of which absorbs their meager resources that are so necessary for development," the document says.

"Out of the 58 most indebted countries, 32 are in the category of less developed countries. A great number of these countries have debt delinquency rates that exceed 50 percent of the interest anticipated for their debts," the document adds.

The declaration says that "an efficient association (between developing countries) must be based in the combination of governments actions and free market policies."

It is necessary "to reinforce the supervisory role" of the IMF, "particularly in evaluating the repercussions on developing countries of greater industrialized countries' macroeconomic policies," the document says.

The IMF "must seek to answer the demands" of developing countries based on their lack of resources, stressing that "we must seek new means to guarantee a greater capitalization" of the organization.

The G-15 advocates "a constructive dialogue" with the Group of Seven (Germany, the United States, France, Canada, Great Britain, Italy, and Japan).

"We praise the commitment of G-7 member countries to reducing their public deficits, maintaining low inflation

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

rates, and increasing their national savings to increase the available resources for global investments," the declaration says.

Leaders 'Repudiate' Rabin's Assassination

PY0611223295 Buenos Aires TELAM in Spanish 2008 GMT 6 Nov 95

[FBIS Translated Text] Buenos Aires, 6 Nov (TELAM) — The heads of state and government of the G-15 today noted that they strongly repudiate Israeli Prime Minister Yitzhaq Rabin's assassination. The heads of state also condemned all acts of violence and terrorism.

"We, the heads of state and government and special representatives gathering at the Fifth G-15 Summit express our strongest condemnation of the criminal act that ended the life of Israel's Prime Minister Yitzhaq Rabin," the heads of state said.

Similarly, the heads of state and government expressed "their repudiation of all acts of violence or terrorism, whoever the perpetrators might be."

The document says that the assassinated Israeli prime minister "had risked his life at the service of understanding and peace, and will be remembered as one of the main craftsmen of the current peace process in the region."

The heads of government also said: "We hope his efforts for peace in the Middle East will continue guiding those who work for a just, lasting, and global peace, in accordance with the aspirations of all peoples in the region."

The G-15 heads of state expressed "their sincere condolences" to Rabin's family and to the Israeli people and government.

Businessmen Discuss Ties, Investments

PY0711163295 Madrid EFE in Spanish 2156 GMT 6 Nov 95

[FBIS Translated Text] Buenos Aires, 6 Nov (EFE) — About 500 businessmen from developing countries that belong to the Group of 15 began talks in Buenos Aires today, seeking to increase private commercial cooperation.

The business meeting, which will end on 7 November, coincides with the Fifth Summit of Heads of State and Government of the Group of 15. The businessmen seek to take advantage of investment prospects and commercial agreements among nations of the so-called Third World.

Osvaldo Pascual, the coordinator of the business meeting, told EFE that the talks will involve 340 businessmen (260 from Argentina and 80 foreigners) who will follow a previously agreed upon agenda.

Businessmen from Argentina, Brazil, Chile, Peru, Venezuela, Jamaica, India, Indonesia, Malaysia, Zimbabwe, Algeria, Senegal, and Egypt have arranged 370 meetings.

The summit is expected to establish an Investment, Commerce and Technology Committee to promote cooperation among developing countries in general, and Group of 15 member countries in particular.

Argentine President Carlos Menem, Chilean President Eduardo Frei, Indian Prime Minister Narasimha Rao, and Senegalese Prime Minister Habib Thian agreed in their speeches at the opening ceremony of the summit that developing nations should take mutual advantage of the business opportunities they offer. The group's overall GDP is $4 trillion, and its total population is 1.7 billion.

The coordinator of the business meetings said this mechanism is now common among Latin American countries, but it is the first time it will be applied to Group of 15 countries. Over more than 100 tables scattered through a conference facility in Buenos Aires, businessmen from all 15 countries are discussing business deals involving traditional and export products.

Many businessmen have expressed interest in investing or receiving investments from dynamic economies of Asian countries like Malaysia, Indonesia, and India with which Latin America has incipient trade links.

The business talks will also pave the way for more trade between Argentina and Brazil, the two largest partners of the Common Market of the South (Mercosur), to which Uruguay and Paraguay also belong.

Brazil is participating in these meetings through the Brazil Group, which comprises dozens of Brazilian companies operating in Argentina.

A partnership of Chilean and Malaysian capital will on 7 November, officially announce an investment of approximately $10 million in an Argentine leather-processing company. Presidents Menem and Frei, and Malaysian Prime Minister Datuk Mohamed Mahathir will attend the ceremony.

Leaders Hold Talks, Address G-15 Summit in Buenos Aires

Argentina's Menem Opens Summit

PY0611145695 Madrid EFE in Spanish 1319 GMT 6 Nov 95

[FBIS Translated Text] Buenos Aires, 6 Nov (EFE) — Argentine President Carlos Menem opened the Fifth

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Summit of Chiefs of State and Government of the Group of 15 in Buenos Aires today. The summit's objective is to increase economic cooperation between the developing countries of the south.

Menem, along with Indian Prime Minister Narasimha Rao, gave an inaugural speech on behalf of Asia; Senegalese Prime Minister Habib Thiam spoke for Africa; and Chilean President Eduardo Frei spoke for Latin America.

The Group of 15 (G-15) is made up of seven American countries: Argentina, Brazil, Chile, Venezuela, Mexico, Peru, and Jamaica; five African countries: Senegal, Nigeria, Zimbabwe, Egypt, and Algeria; and three Asian countries: Indonesia, India, and Malaysia.

The technical meetings of the summit began on 3 November and the meeting will close tomorrow.

Menem Discusses Unemployment

PY0611164795 Buenos Aires TELAM in Spanish 2249 GMT 6 Nov 95

[FBIS Translated Text] Buenos Aires, 6 Nov (TELAM) — President Carlos Menem asserted today that the fight against unemployment is an overriding priority for the Argentine Government.

In his opening speech to the Fifth Summit of Heads of State and Government of the Group of 15, Menem underscored that "the problem of unemployment seriously affects most countries of the world."

The president asserted that "macroeconomic stability is a prerequisite for growth," adding that "Argentina has made a major effort to once again acquire the culture of work and production."

He said: "Monetary stability was the first building block Argentina laid after decades of inflation through the enactment of the Convertibility Plan and a major undertaking to put the financial house in order."

Menem added: "Those efforts were crowned with successes in economic growth, greater productivity, competitiveness, and more exports, and foreign investments."

"The Republic of Argentina's foreign trade increased by 100 percent between 1990 and 1994," he pointed out.

The head of state stated later: "Poverty, unemployment, migration, environmental protection, the struggle against drug trafficking, and technology transfer constitute some of the questions that must also be addressed by nations multilaterally."

The head of state stated: "The struggle against drug trafficking should be global if it is to act against production as well as demand. Cooperation is needed in regional and multilateral forums, encouraging the adoption of common rules and the reconciliation of laws" among other actions.

Menem underlined the action of the White Helmets corps — an initiative of his administration that was supported by the United Nations — in the struggle against hunger, and poverty.

The White Helmets "are currently undertaking a mission in Haiti and preparations are well under way for other missions in Bolivia, Palestine, Armenian, Angola, Equatorial Guinea, and Jamaica," he said.

The president stated that the Group of 15 comprises "more than 1.6 billion people, with foreign trade amounting to $ 520 billion in 1993, and a significant average annual growth in many of them."

Menem argued: "The Group of 15 member countries are resolute promoters of dialogue and cooperation among regions." He cited "the project to establish the free trade zone of the Americas, economic integration in the Asia-Pacific region, and the framework agreement between Mercosur [Common Market of the South] and the EU."

Following Menem's inaugural speech, Indian Prime Minister Narasima Rao, Senegalese Prime Minister Habib Thiam, and Chilean President Eduardo Frei addressed the summit meeting.

During the opening ceremony, the Argentine head of state sat between Brazilian President Fernando Henrique Cardoso and Chilean President Eduardo Frei.

Menem, Zimbabwe's Mugabe Close Summit

PY0811003995 Buenos Aires Argentina Televisora Color Network in Spanish 1834 GMT 7 Nov 95

[Speeches by Argentine President Carlos Menem and Zimbabwean President Robert Mugabe at the closing ceremony of the Fifth Summit of Heads of State and Government of the Group of 15 at the Alvear Palace Hotel in Buenos Aires — live]

[FBIS Translated Text] [Menem] Messrs. heads of state and government:

I would like to express my deep satisfaction at seeing that so many heads of state and government have participated in our deliberations. This clearly shows the dynamism that characterizes the Group of 15 and its leaders. Having thoroughly analyzed the international economic situation, we agreed on several issues which are central for the future of global economic development. These subjects are reflected in our joint declaration, in which we call upon our partners from the industrial world and from the Group of Seven to maintain a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

realistic and constructive dialogue on questions having global interest.

The reforms effected in our countries have been instrumental in making us wholly aware of the interdependency of nations and of the opportunities arising from cooperation between Group of 15 member countries. Regionalism is a sine qua non for more thoroughly and deeply transforming our economies, for boosting trade, for promoting industrial output, for encouraging foreign investment, and for creating more jobs. In the search for global solutions, it is essential that we strengthen multilateral institutions through dialogue and consensus between nations. Within this context, we must consolidate the agreements reached in the Uruguay Round of the GATT talks by continuing to further trade liberalization through the WTO. Likewise, we aspire to strengthen the financial role of the Bretton Woods institutions and to increase their efficiency in the prevention of and solution to possible crises.

We would like to reiterate our confidence in the United Nations as a world forum to ensure peace, justice, and development the world over.

Messrs. heads of state and government, in order to enhance cooperation between G-15 member countries, we have established the Investment, Trade, and Technology Committee. This committee will constitute an important tool for promoting trade and investment, and technology transfer between our countries.

We are pleased to announce that this committee's executive council will hold its first meeting in Zimbabwe next year. In this way, we are implementing the decision made at the Fourth G-15 Summit in New Delhi, and we will continue promoting initiatives and exchanging experiences in different areas. We have agreed to reserve a very special role for private initiative when formulating our economic policies, which will be based on a greater opening of markets and a broader deregulation.

Proof of this decision is the significant repercussions of the entrepreneurial forum and the rounds of business meetings between entrepreneurs that are being held simultaneously with this summit.

Excellencies, we have again centered our attention on various international problems that concern us all: terrorism, drug trafficking, corruption, poverty, and unemployment.

The death of Prime Minister Yitzhaq Rabin makes evident, once more, how difficult the path of peace, and how expensive the path of moderation, really is. Today fanaticism and drug trafficking are the main sources of support for terrorism, which sows victims around the world. We must particularly highlight those forms of terrorism with an international scope, which not only affect nations' domestic peace and stability, but also place international security at risk.

As terrorism seeks to destroy political and social foundations, corruption undermines the belief of nations in the credibility of their institutions and their leaders, jeopardizing liberty and democracy.

Therefore, it is necessary to join efforts in fighting terrorism and corruption as the only way to guarantee the stability of our institutions and the success of our development efforts.

We are especially concerned about the serious problems of worldwide poverty and unemployment. Therefore, we are struggling to achieve an equitable growth, with orderly macroeconomic policies, within a more positive international economic framework.

During our deliberations, we agreed upon the usefulness of initiatives like that of the White Helmets to help the United Nations with an effective mechanism for mobilizing emergency humanitarian resources and for restoration, reconstruction, and development activities.

A significant decision that was made during this summit involves authorizing the troika [not further specified] to review the possibility of expanding the Group of 15.

We are grateful for the Zimbabwean president's generous offer to hold our Sixth Summit in his country.

We hope to see you all in Harare next year. As established by our tradition of cooperation and friendship, I wholeheartedly offer you our support for this term in which you will preside over the Group of 15.

We are convinced that, under the leadership of President Mugabe, our group will prosper and advance towards an improved realization of its potential.

Mr. President Mugabe, I invite you to take the floor. Many, many thanks. [applause]

[Mugabe speaks in English, with superimposed translation into Spanish] Your Excellency President Carlos Menem, excellencies, heads of state and government of the Group of 15, special envoys, distinguished guests, ladies and gentlemen:

We share with the rest of the delegations our gratitude for the cordial reception and hospitality that we have been receiving since we arrived in this beautiful country.

I would also like to thank the Argentine Government and the Argentine nation for their foresight, impetus, and initiative as the Group of 15 leader during 1994 and 1995. Many important steps were taken during your term.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mr. President, I am taking this opportunity to express to you and to the Argentine nation our most profound condolences over the tragedy that occurred in Rio Tercero in Cordoba Province a few days ago. We share your profound grief over this tragic incident.

Mr. President, we live in a time of profound changes, changes that pose both challenges and opportunities.

Within this increasingly volatile and complicated international environment, the ability of governments and countries, regardless of their size, for separately and successfully coping with the myriad of forces that have been unleashed has been severely limited.

Not all our countries will be able to keep pace with these changes and benefit from them. There is a real threat of increased marginalization and poverty among the poorest and weakest members of our community of nations.

Excellencies, we have come from afar and from nearby to this summit, under the guidance of the beam of light that our group gives and the hope that it represents.

We have come with a strong commitment to cooperate among ourselves, enhance our ties, and seek methods of effectively cooperating among ourselves for the mutual benefit of our respective countries and nations.

Our individual and collective presence here specifically expresses our decision to share the results and take advantage of the qualities, capacities, and experiences each of us possesses.

Our summit represents an expressive testimony that those facts that unite us transcend those that separate us.

Indeed, our deliberations over the past two days have involved reviewing basic issues at the national, subregional, and global levels that have a very strong impact on our economies.

It is perfectly clear that the South-South cooperation represents the chief method for identifying the various complementary ties among us and for integrally taking advantage of the human and material resources available to us for the benefit of our nations.

Collective action at a global level on important issues such as trade, the flow of resources, the foreign debt, and the transfer of technology can only be effective and rational if there exists coordination, harmonization, and effective cooperation among the countries of the South.

In the same way, we admit that the South-South cooperation alone is not and cannot be a panacea for the basic structural shortcomings that are plaguing the international economic system.

The intensification of world economic interdependence and globalization makes it imperative that all peoples and nations, particularly those in the North, recognize that there is a substantive link between the increase of wealth in the North and the acceleration of economic growth and sustainable development in the South. We, in the South, continue pursuing our cherished objective of an equitable world economic order based on norms and absence of discrimination, but our counterparts in the North seem to have forgotten the social disintegration and the tremendous poverty in the developing world. In other words, the North-South dialogue has lost its sense of urgency. In fact, with respect to real problems, the North-South dialogue is virtually moribund.

Mr. President, international cooperation is no longer a mere cliche in international meetings or conferences, but a need for survival in today's world. Similarly, interdependence and the visions of a global village are no longer confined to the circle of theoretical speech or dreams. They are a reality that can no longer be put aside or maintained at arms length. The absolute lack of consideration for ecological concerns in the South is observed in the relentless call to dismantle UNIDO and (Gnosed), the organizations that have been at the fore of our crusade for a more equitable and just international economic system.

We are not against current efforts aimed at reforming international institutions, but we insist that these reforms should be balanced and must maintain institutions that continue to serve the interests of all their members. In this regard, the principles of democracy and clarity should shore up the efforts to reform the United Nations system and Bretton Woods institutions. The ninth gathering of (Gnosed) will be held in South Africa next year to discuss the issue of how to promote growth and sustainable development in a globalized and liberalized world economy. It is more than opportune because it will give the international community an opportunity to commit its help to developing countries for the use of these new opportunities for their benefit, thus reducing to the minimum the risks of maginalization and instability that are inherent to these processes.

Mr. President, ever since it was created, the Group of 15 has given ample evidence of its determination to promote an increasing internal cooperation through various projects. The progress made so far is significant, but we believe there is need for a more centralized implementation to avoid duplication of efforts. We welcome the launching of the Investments, Commerce, and Technology Committee during this summit because it will provide the needed institutional framework for the systematic implementation of investment projects linked to trade within the G-15. It is precisely the recognition

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that cooperation in the areas of trade and investment could be more effectively achieved through direct contacts than through the public and private sectors' separate efforts. We also created the entrepreneurial and investment forum that my country has the privilege of coordinating.

I would like to take advantage of this opportunity to assume our complete commitment to implement all G-15 projects, which are basic projects for the group's existence.

Your Excellency, our mode of cooperation recognizes the immense contribution that our respective entrepreneurial communities can make [words indistinct] your presence among us today and we hope you have been able to obtain the maximum benefits from your meetings in the past few days.

We will take deliberate steps to give special incentives to entrepreneurial operations, taking into account the facilitating role that governments must play in the promotion of investments, trade, and technological transfer between South-South regions.

As a group we are an enormous market, making the creation of joint industrial and commercial efforts not only imperative, but also valuable and mutually beneficial. This is why we conceive a very active role for our entrepreneurial communities in G-15 activities.

Mr. President, the current debate within the group on the possible expansion of the number of members confirms the group's vitality and political credibility. We hope the consultations we will carry on next year will produce satisfactory results.

Finally, Mr. President, colleagues, it is an honor and a great pleasure to extend to you a cordial invitation to attend the next summit in Harare in November 1996. We expect to welcome you in Harare. Thank you. [applause]

[Menem] With these words from President Mugabe, we conclude the deliberations of the Fifth Summit of G-15 member countries. I reiterate the gratitude of the Argentine people and government for your presence. I wish you a very happy return to your respective countries, and I ask God to bless your peoples and their leaders. Thank you very much. [applause]

Menem, Mugabe Hold News Conference

PY0811141495 Buenos Aires TELAM in Spanish 2313 GMT 7 Nov 95

[FBIS Translated Text] Buenos Aires, 7 Nov (TELAM) — The heads of state and government of the Group of 15 [G-15] today renewed their commitment to enhance cooperation among them to promote economic growth and to make every endeavor to have a more equitable economic order.

President Carlos Menem said: "Argentina endorses the economic transformation process and the request for the G-7 to support this process so as to move ahead in cooperation matters and even out burdens between the North, which continued growing and amassing wealth, and the South, which did not have the same luck."

Menem and his Zimbabwean counterpart, Comrade [preceding word in English] Robert Mugabe called a news conference this afternoon to comment on the conclusions of the Fifth Summit of Heads of State and Government of the G-15, which was held in Buenos Aires on 6-7 November.

Menem declared: "We are extremely pleased with the high level of the presentations and with the active participation of the private sector, which evinces the dynamic character of our economies."

The Argentine head of state underscored the participation of 418 businessmen — 286 Argentine ones and 132 from all member countries — in the seminar and in the business talks held concurrently with the summit meeting.

The Zimbabwean president, for his part, reiterated his criticism of industrial countries for their behavior, which — according to Mugabe — has been conducive to worsening the imbalances between them and less-favored nations.

The Zimbabwean head of state said: "There is no such a thing as a free market. Prices are arbitrarily fixed by certain companies that can afford to lower their sights and cut on their returns and thus push quotations down."

The African president insisted on "proposing that talks should be held with countries from the North to take these differences into account. It is not a question of making antagonism resurface, but rather of striving to be treated as equals."

Mugabe recalled that the richest nations in the world colonized Africa; they "exploited our national resources without caring about our development" adding that "famine is widespread" in Africa at present "and people are dying of starvation on account of dire poverty."

The Zimbabwean head of state also questioned the action of international organizations like the World Bank and the IMF and spoke in favor of the democratization of the UN Security Council "so as to preclude that five nations make decisions for the rest of the world."

Mugabe hailed Argentine proposal for enlarging the G-15 to "increase its geographical representation and to consolidate its international representativeness."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Menem, for his part, acknowledged that the plenum discussed the possibility of imposing limitations on "hot money." He nonetheless alerted that "whenever control mechanisms are imposed, other mechanisms are devised to get around them."

In concluding, Menem referred to Mugabe's comment on the effects caused by currency devaluations in the following terms: "Devaluations are detrimental to all countries and to all economies."

Argentina's Di Tella Meets Counterparts

PY0611203995 Buenos Aires TELAM in Spanish 2249 GMT 4 Nov 95

[FBIS Translated Text] Buenos Aires, 4 Nov (TELAM) — Foreign Minister Guido Di Tella held separate meetings today with his Egyptian counterpart 'Amr Mahmud Musa and his Indian counterpart Pranab Mukherjee, with whom he analyzed bilateral relations and international political issues.

These bilateral meetings were arranged during the Fifth Summit of Heads of State and Government of the Group of 15.

Di Tella met with Musa at a suite of the Alvear Palace Hotel in the afternoon, following the opening of the International Economy and Tourism Fair at the Palais de Glace in which the countries participating in the summit meeting have exhibits.

"Egypt is a very important market, with ample opportunities for our products," said Di Tella after announcing that he had accepted an invitation by his Egyptian counterpart to visit Cairo in October 1996.

Sources close to the Foreign Ministry reported that the meeting was held at the request of Musa to analyze trade matters.

The same sources said the question of economic relations was also the main subject of the meeting Di Tella held with the Indian Foreign Minister some hours later.

Brazil's Cardoso on Poorest Countries' Debt

PY0711010895 Sao Paulo AGENCIA ESTADO in Portuguese 2245 GMT 6 Nov 95

[Report by Odail Figueiredo]

[FBIS Translated Text] Buenos Aires, 6 Nov (AE) — President Fernando Henrique Cardoso today said that part of the foreign debt of the poorest countries of Africa should be pardoned. "We should be realistic. There is no use in rolling over that debt when those countries cannot repay it," said Cardoso as he spoke with journalists about the results of the summit of the G-15, which groups 15 developing countries from Africa, Asia, and Latin America.

Pardoning of the debt of the poorest countries is one of the points of the final document that the G-15 heads of state and government will sign on 7 November. Cardoso, who today offered a luncheon for the heads of the foreign delegations that have come to Buenos Aires, will return early tomorrow afternoon to Sao Paulo, Brazil, where he will stay for the rest of the day.

According to Cardoso, the foreign debt ceased being a problem for more developed countries like Brazil, Argentina, and Mexico. The greatest concern for these countries is volatile capital, that is, the swiftness with which short term and speculative investments enter and leave the financial markets of developing countries. A speculative movement of this kind generated the financial crisis in Mexico at the end of last year.

The final document of the G-15 stresses the need to find mechanisms to control such investments but, according to Cardoso, the problem is defining which are the most efficient mechanisms. "International financial organizations like the IMF are already responding faster to crises, but the truth is that the governments still lack the instruments with which to exert such control. "We need a new world financial system, but that is not something that can be done by issuing a decree," said President Cardoso.

Cardoso on Corruption, Terrorism, Drugs

PY0811023295 Sao Paulo AGENCIA ESTADO in Portuguese 2252 GMT 7 Nov 95

[Report by Odail Figueiredo]

[FBIS Translated Excerpt] Buenos Aires, 7 Nov (AE) — The struggle against corruption, terrorism, and drug trafficking were the priorities defined today by the G-15 heads of state during the closing session of their two-day meeting, which took place in the Argentine capital. The G-15 leaders also decided that they must seek to increase trade and economic relations between developing countries without depending only on the help of rich countries.

"There is no use in complaining about the South against the North, developing countries against developed ones, because that does not lead to anything," said President Fernando Henrique Cardoso shortly before departing for Brazil. "We have enough integration mechanisms among ourselves that allow us to increase exchange among our countries and to promote a more active development of our regions," he said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The G-15 presidents and prime ministers held a private and informal meeting in the Olivos presidential residence. Because of a commitment in Sao Paulo, President Cardoso left the meeting earlier and did not attend the luncheon offered by President Carlos Menem to the heads of state, nor the official ceremony closing the conference. Cardoso departed for Sao Paulo early in the afternoon, and he will return to Brasilia tomorrow morning. [passage omitted]

Chile's Frei Discusses Summit Goals

PY0611145395 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1000 GMT 6 Nov 95

[FBIS Translated Text] President Eduardo Frei personally expressed his condolences to the Argentine people for the losses caused by the explosions in Cordoba Province. President Frei, who is in Buenos Aires to attend the fifth meeting of the Group of 15 [G-15], will promote the pardoning of the debt of the poorest countries in the world.

[Begin recording] [Reporter Jose Miguel Alfaro] While the Argentine people were enjoying a peaceful Sunday, the Aeroparque Military Base was getting ready to welcome the presidents and heads of state who will attend the fifth meeting of the G-15. Even though Chile's entry into the group was approved in Senegal in 1992, this is the first time the president is attending the group's summit meeting.

[Frei] First of all, I would like to express my condolences to the Argentine people for the tragedy in Rio Tercero. We know many people are still missing, therefore we would like to express our grief. We come to the G-15 meeting with our usual optimism when we attend international meetings, with the desire to work with all the developing countries, with the hope for fruitful and positive dialogue which are important for our development into the global economy in which we live.

[Alfaro] Frei also said the Chilean goal is to strengthen the G-15 through concrete actions. He said one of them is to include a proposal on the foreign debt in the final declaration to be signed by the group leaders.

[Foreign Minister Jose Miguel Insulza] In this context, there is a proposal for substantially reducing or pardoning the debt of the poorest or less developed countries.

[Alfaro] The proposal would especially favor the African countries, and Haiti in this continent, which have an average per capita income just above $400. [end recording]

Frei on Goals for Economic Growth

PY0611185395 Buenos Aires Telefe LS84 Television Network in Spanish 1328 GMT 6 Nov 95

[Address by Chilean President Eduardo Frei at opening of Fifth Summit of Heads of State and Government of the Group of 15 in Buenos Aires — live]

[FBIS Translated Text] Mr. President of the Argentine Republic, Messrs. Chiefs of State and Government, Messrs. Foreign Affairs Ministers, national authorities, Messrs. Ambassadors, ladies and gentlemen:

It is a privilege for the president of Chile to address this Group of 15 Summit on behalf of Latin America and the Caribbean.

First, I would like to express my gratitude to the president of the Republic for his welcome, always warm and cordial, and for the fact that this summit which reflects the aspirations of our emerging world is held in Buenos Aires under such pleasant and auspicious circumstances.

During the past years our region has experienced a process in which our democratic, political, and economic values have converged and our nations have developed various forms of integration. This has allowed us to adopt constructive positions in larger and more representative international forums, such as the Group of 15. This forum comprises a group of developing countries from various regions and cultures that are united by their interest in promoting and actively participating within a growing interdependent and complex international system. Its continental, geographical, and cultural diversity decisively contributes to enhance and exchange viewpoints.

One of main reasons for founding this group was to promote an exchange between the developing countries that would strengthen and make more fluid their participation in world decisions. This original idea still prevails because the globalization of international problems and the need to solve critical situations that affect the life and future of our peoples require it.

The current international situation requires a joint effort by the industrialized countries as well as that of the countries of our part of the world. There is a vast field for the promotion of economic growth, the opening of the economies to the products of the South, the promotion of the transfer of technology, and the search for a permanent solution to the indebtedness of the poorest nations.

In this sense the Group of 15 creates a privileged space for dialogue between realities that are many times so

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

different. This may also significantly strengthen bilateral efforts in this direction. However, the magnitude of these goals demands great efforts in procedures and actions. In our dialogue with the industrialized countries we must make feasible and reliable proposals toward development as established in Cartagena [word indistinct]. For the success of this formula we need to overcome any desire for confrontation and generate a climate of confidence and solidarity. To successfully achieve its purpose, the Group of 15 must establish working areas, implement feasible cooperation projects, and promote a greater political agreement in areas of common interest.

Stepping up consultations and cooperation should lead to the creation of genuine exchange programs that may favor dialogue with the countries of the northern hemisphere.

In the opinion of the Latin America and Caribbean region countries, priorities must, undoubtedly, be established when proposing cooperation projects. The subjects raised during recent international UN conferences encourage the proposal of cooperation projects. Issues like the need to eradicate extreme poverty, the preservation of the environment, enhancing the status of women, and the improvement of education compel those searching to attain these objectives to make their utmost efforts and use creativity.

The Group of 15 can only speak with authority on behalf of the developing countries once it has given its proposals a concrete and practical content. The newly created Commerce, Investment, and Technology Committee must contribute to the efficient use of resources and to enhance the progress made in these fields. The business and investments forum promoted by Zimbabwe may play a similar role.

In our relationship with industrialized countries, we must insist that they increase their efforts to strengthen the international economic growth and create a favorable environment for a speedy and sustainable development of all nations. We should also stress the consolidation of free trade by the Uruguay Round, the need to step up and expand that process, and the need to avoid a resumption of protectionist practices by fully applying mechanisms of supervision, reconciliation, and solution of controversies within the WTO.

The need to coordinate the monetary, financial, and economic policies of the countries that have a strong influence in world economy is necessary to avoid inconsistencies and to preserve the common interests of maintaining a healthy international financial system. In this sense, the freeing of capital markets should be accompanied by prudent supervision. The paths taken by the IMF to establish financial emergency mechanisms and stabilization procedures, as mentioned in the Group of 15 declaration, are also of great interest.

Although the Group of 15 has mainly economic and commercial objectives, it must also take into account political parameters that concern the developed and developing world. In this sense, we must express our belief in the need to reorganize the United Nations, and establish priorities for that organization for the coming years. With this purpose, our countries must continue efforts to maintain international peace and security. Likewise, we must promote the rechanneling of international economic interdependency by promoting a better coordination between the United Nations and the institutions of the international financial system.

A vast list of tasks lies ahead of us. To which should we devote our utmost efforts and energy? In the opinion of our region, which has the privilege of welcoming member countries of this summit, the forum should highlight the following issues: A qualitative and quantitative improvement of education as the driving force of development, the strengthening of scientific and technological capability of developing countries through endogenous training programs as well as the transfer of technology, the creative coordination of efforts by public and private sectors for the development of our people while discarding extremist viewpoints that consider it unfeasible, and the tackling of extreme poverty by promoting cooperation models to overcome this scourge.

Messrs. Chiefs of State and Government: I reiterate the decision of the countries of the region to contribute to the strengthening of this forum. I wish to emphasize the aspirations of Latin America and the Caribbean to contribute their best efforts to make this forum of agreement feasible. Dialogue among developing countries, through this group, seeks to express the feelings of the countries of the south before the industrialized nations. Success is tied to their capacity to promote feasible and effective cooperation projects that may make grant this forum credibility. Our challenge is to insert the forum within a favorable political surrounding, that is, the globalization of international problem. These circumstances reduce the gap between countries and force everyone to work for the same objectives. Lastly, the responsibility of increasing the political status of developing countries is in our hands. The political will to seek feasible formulas is a must. The living standards of our people, of the various regions, and of the international community require it. Thank you very much. [applause]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Chile's Insulza Urges Financial Talks

PY0411004995 Madrid EFE in Spanish 1738 GMT 1 Nov 95

[FBIS Translated Text] Santiago, 1 Nov (EFE) — Chilean Foreign Minister Jose Miguel Insulza voiced Chile's desire that the Group of 15 Summit, to be held this weekend in Buenos Aires, discuss financial and commercial issues.

In statements made before traveling to Great Britain, which were published by EL MERCURIO today, the Chilean minister said that he hopes the G-15 will coordinate viewpoints regarding subjects "that have a direct impact on the development of nations, such as economic, commercial, and financial issues."

The minister admitted that the G-15, which Chile joined two years ago, has been a South-South technical cooperation group rather than an interlocutor of the developing countries before the industrialized countries.

Insulza confirmed that Chilean President Eduardo Frei will attend the summit, which will start on Saturday, 4 November, in Buenos Aires, and that he will be the first Chilean head of state to attend this event.

The G-15 now comprises 16 developing countries with a greater degree of industrialization and development. Egypt, Malaysia, Indonesia, Mexico, Argentina, and Algeria, among others, belong to this group .

The purpose of the group is to act as bridge between these countries and the industrialized ones, and particularly with the Group of 7, comprised of the seven most industrialized countries in the world.

India's Rao Addresses Summit

BK0611162095 Delhi Doordarshan Television Network in English 1307 GMT 6 Nov 95

[Speech by Indian Prime Minister Narasimha Rao to the inaugural session of the G-15 Summit in Buenos Aires — live]

[FBIS Transcribed Text] Esteemed Mr. Chairman, Excellencies, Ladies and Gentlemen! It is pleasure to be here in this beautiful capital of Argentina and to avail ourselves of the warm hospitality of the government and people of this country.

Mr. Chairman: Latin America is on its way to experiencing an economic upturn, despite recent tremors. Asia, too, is resurgent and growing in economic strength at a rapid pace, while girding itself to overcome the challenges of inherited poverty and to lift our people to a life of dignity and reasonably fulfilled needs. These hopes also attend the efforts for an economic turnaround in Africa, and we can look forward to this continent of natural abundance reaching its true potential.

All three continents are in the throes of transformation, structural change, and regional integration to a lesser or greater degree. With this encouraging prospects before us, Latin America, Africa, and Asia can seize the new opportunities available to us in the post-Cold War era, making full use of (?existent) and emerging complementaries amongst us.

This would be particularly opposite. [sentence as heard] Now when northern markets are tending toward saturation, new types of protectionist barriers are being erected, and restrictions on technology transfers persist. We are certainly emerging from a phase where South-South cooperation was trapped in a cycle of capital and technology deficit. Many of us—although not yet significant net capital or technology exporters on a global scale— are steadily improving in these areas. Trade and investment levels between Asia, Africa, and Latin America are still not significant, but growth rates in the last few years have been quite encouraging and proved the viability of the G-15 set up. We believe that by cooperating with each other bilaterally, trilaterally, and mutilaterally, we would not only strengthen and enrich one another, but collectively count for much more in the global economy and with our developed country partners.

We now recognize that collective self-advancement has become an actual possibility and has to be grasped. Our business communities must cultivate the habit of dealing intensively and fruitfully with each other and not have their eyes always trained only on developed countries. In fact, the more we are able to deal with each other, meaningfully and to mutual benefit, the more attention we are likely to get from the North. It will then set a virtuous circle in which all are likely to be gainers.

In India's case—for example, in the last few years, marked increases have been recorded in trade and investment flows with many countries of South and Southeast Asia, Africa, and Latin America. Thus, with ASEAN in 1993-94 alone, India's exports increased by as much as 105 percent; and, in the following year, overall trade increment was to the tune of 30 percent. Significant increases of over 20 to 30 percent has been recorded in our trade with many countries of Africa. With Latin America too, trade has been growing at a steady pace, though we feel that the real boost can only be given if our transport and financial infrastructure linkages are made more direct and strengthened. I am informed that the Malaysian and Indonesian experience has also been encouraging.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In its nearly six years of existence, the G-15 has attempted to be a catalyst for transregional economic cooperation through numerous sectoral projects involving information exchange, technical cooperation, and institution building, leading to self-sustaining interaction in key areas of technology and trade. We have to inject more vigor into our participation in these projects, and while not all countries need to participate in all projects, there should be a critical mass of interested countries from the three regions willing to commit resources and energy for the success of projects identified. We need to involve our respective private sectors more actively in many of these projects so that commercialization will create its own momentum of cooperation. The process needs to be dynamic and one that addresses felt needs.

Realizing that the absence of a standing mechanism for promoting trade, investment, and technology flows amongst ourselves was inhibiting G-15 cooperation, at the last summit in New Delhi we agreed to establish the Committee on Investment, Trade, and Technology, CITT. We look forward to operationalizing it at this summit. This mechanism will involve active collaboration between policymakers and the business communities of G-15 countries. It will stimulate, facilitate, and promote trade and investment expansion and also address the important question of trade-related infrastructure, which is particularly relevant for making transregional transactions more cost effective and competitive. It is imperative that we make a success of this key initiative with the close involvement of capital. Our business representatives, who are here to devise practical means of starting or increasing trade and industrial collaboration, should also be thinking in terms of a follow-up and monitoring mechanism. The networking of office chambers of G-15 countries should as far possible be institutionalized on a bilateral or multilateral footing. Our business communities should pay particular attention to developing tricontinental collaboration projects in key areas like shipping. They could also have continuous dialogue on the common challenges they face in their attempts to become multinational players and to deal with issues such as quality standards and environmental and other regulations in developed markets that act as nontariff barriers.

We expect this summit to be dedicated to an inquiry and policy deliberation on the challenges that confront us, particularly in the area of development cooperation as we approach the 21st century. Equally, we expect to review how best the international institutions and the policies of developed and developing countries can enable us to deal with these challenges. Alleviation and eradication of poverty, accelerating economic growth, social well-being, and ecological sustainability of our planet as well as securing peace are goals that are as universally shared as they are difficult to achieve without genuine all-round cooperation and understanding. Economic growth is only the means toward social upliftment and the life of dignity and freedom from want for the mass of our people. Our goal is not statistics but the human being. We also have to address the core social agenda directly, and an exchange on our approaches and experiences will be instructive for all of us.

Mr. Chairman, there is one area of activity which I would like to bring to the notice of this body. During the past six years, the G-15 has done useful basic work by cooperating within themselves. In my considered view, the time has come when we could, as part of South-South cooperation in general, venture into other developing countries which need our help and which we could help by appropriate tie-ups among our members, the country concerned, and financial source — just willing to come forward to undertake a few extremely crucial developmental projects expected to give a special impetus to the economy of that country concerned and put it on a growth path. I am convinced that such projects do exist in many developing countries and even a small beginning can go a long way in the South-South process so as to set an innovative trend. Constructive and practical interdependence among countries and among the trade, monetary, and financial systems as well as liberalization and deregulation of the world economy propel us inevitably toward some kind of partnership among all countries.

Developing countries, having assumed greater responsibilities in trying to integrate into the competitive mainstream of the world economy at considerable cost, in fairness require support and reciprocation from developed countries. They can help us in one of two ways, or both. They can help us by positively taking our competitive development as a future factor in their own eventual growth, which it is certainly going to be. In addition, or alternatively, they could help us by desisting from the ill-concealed conditionalities based on some lofty sounding principles such as the so-called social clause etcetera. We can assure the world that we are second to none in ameliorating the social conditions of our people in the shortest practicable timeframe. Several developing countries have already initiated appropriate measures in this direction; for example, India is taking determined and positive steps to take millions of children out from working in hazardous industries within a stipulated time. But all this cannot be done overnight.

Meanwhile, we do need this accommodation since our economies have neither benefited from colonial exploitation nor from free labor in any form. However,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

instead of finding this accommodation and understanding, we see several protectionist responses to our growing competitiveness through a variety of policies and measures. We must, therefore, be enabled to integrate equitably into the world economy and become new and expanding growth poles. For this, we will continue to need substantial and increased concessional assistance as well as foreign direct investment, open markets for what we are naturally endowed with, and our products based thereon. We want to be encouraged to develop competitive capacities as we go into manufacturing and services. We also need access to those technologies which enable us to make a quantum leap in our economic development and in our efforts to protect the environment. And most important of all, we do no think that we are asking for anything which we do not deserve, or which will hurt the legitimate interests of the developed countries by any logic.

We should present this perspective of a shared future to the developed countries and their interlocutors in all possible forums. I would suggest that in respect of the three multilateral institutions which have reached the mature age of 50, the UN, the IMF, and the World Bank, and the institution which is reborn as the World Trade Organization, the G-15 should work to ensure that the integrity of these bodies is not undermined and the areas of their democratic functioning and decisionmaking are enlarged. Their effectiveness should derive not so much from institutional readjustment but possession of the necessary resources and political will by member states to discharge their mandates. The G-15 must support the continued relevance of intergovernmental cooperation for development, including the (?three) institutions, and not permit dilution of their development function in the name of nonduplication and division of labor. The UN's role in promoting the agenda for development through UNCTAD [UN Conference on Trade and Development] and UNIDO [UN Industrial Development Organization], for example, and providing the development dimension through economic policymaking in other institutions, should be revitalized.

We recognize that we the developing countries have progressed at different paces and have varying degrees of strength and capacities in agriculture, industry, services, trade, human resources, and research and development. However, our common concerns remain and these cannot be addressed by a differentiated or disaggregated approach. The necessity for a creative dialogue between developed and developing countries remains as compelling as ever.

Finally, Mr. Chairman, I would like to emphasize that at this point of our collective history, we have reached a moment of choice, of decision and opportunity in South-South and North-South relations. Let us send out the message from this summit about our beliefs in the basic conformance of objectives and interests among all countries and a desire to find shared path for enlightened good of all.

Thank you. [applause]

Indian's Mukherjee on Nuclear Issue

PY0611231295 Buenos Aires CLARIN in Spanish 4 Nov 95 p 43

["Exclusive" interview with Indian Foreign Minister Pranab Mukherjee by Ruben Guillemi, during the former's "visit to Buenos Aires for the Group of 15 meeting"]

[FBIS Translated Text] [Guillemi] In your opinion, why have most of the adjustment programs implemented in the developing countries still not achieved any concrete results for the population?

[Mukherjee] In the first place, benefits are normally reflected at a macroeconomic level first, and subsequently at a microeconomic level. In addition, the method of reporting on the results achieved by the reforms is also plagued with shortcomings.

[Guillemi] There is an issue that can hardly be understood abroad: India as a nuclear power. Why is so much priority given to defense expenditures in a country in which so many people are living in poverty?

[Mukherjee] In the first place, our prime minister already has emphasized that we are technically capable of building atomic bombs, but will not build them. As far as the defense issue as a whole is concerned, India's per capita defense expenditures currently total $8. If you compare this data with Pakistan, the Pakistani per capita defense expenditures total $30. Therefore, it is not correct to say we are spending lavishly.

[Guillemi] Yet, it would also be necessary to compare defense expenditures with social expenditures.

[Mukherjee] If you add federal government and provincial government investments, the defense and social budgets are similar.

[Guillemi] The violence prompted by the Sikh separatists in Punjab has claimed the life of former Indian Prime Minister Indira Gandhi and the lives of thousands of other people. Would your government be willing to approve some kind of autonomy for the Sikhs?

[Mukherjee] About 20 million Sikhs are living throughout India, and barely one percent support the establishment of an independent state in Punjab. In addition,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

our Constitution does not contain any provision involving the approval of autonomy or anything similar. People abroad sometimes do not understand India's unique features, as it is the largest multiracial, multiethnic, and multicultural state, with 14 official languages. Nevertheless, there is a very strong unity underlying this diversity. This very strong unity is being supported by the vast majority of the population and cannot be destroyed by any group, no matter how powerful or well-organized it may be.

Mukherjee on Trade With Developed Countries

BK0511133995 Delhi Doordarshan Television Network in English 1530 GMT 4 Nov 95

[FBIS Transcribed Text] Foreign ministers of the G-15 nations, representing 34 percent population of the world, are meeting in the capital of Argentina, Buenos Aires, today. They will finalize the draft agenda for the summit beginning on Monday. Our correspondent V.D. Roy reports from Buenos Aires that the meeting of Steering Committee, comprising the present chairmen—India, Argentina, and Zimbabwe—took place this morning to discuss various issues relating to the summit.

The external affairs minister, Mr. Pranab Mukherjee, told a press conference in Buenos Aires yesterday that trade with the developed countries could benefit the developing world only if protectionism and nontariff barriers are not there.

[Begin Mukherjee recording] It's one of the objective is to have interaction with the industrialized countries represented by G-7. In order to ensure the benefits from these initiatives, we shall have to see that industrialized countries do not resort to protectionism and do not raise new nontariff barrier to interrupt the flow of trade and services from developing world to the developed countries. [end recording]

Mr. Mukherjee said the summit could provide an opportunity to India and Argentina to strengthen their bilateral ties in a big way.

Indonesia's Alatas, Egypt's Musa on Rabin

BK0511142395 Jakarta ANTARA in Indonesian 1239 GMT 5 Nov 95

[FBIS Translated Excerpt] Buenos Aires, 5 Nov (ANTARA) — Indonesia hopes the Middle East peace process will continue without obstacles following the assassination of Israeli Prime Minister Yitzhaq Rabin, who had played a major role in the peace process. Foreign Minister Ali Alatas said this in Buenos Aries, Argentina, on Sunday after meeting with Egyptian Foreign Minister 'Amr Mahmud Musa at his hotel room. Alatas also told reporters that events in the Middle East usually move fast and are therefore hard to predict.

Alatas said he and his Egyptian counterpart had discussed Rabin's death and its impact on the Middle East peace process. They also discussed other issues, like Bosnia and the Group of 15 meeting.

"Indonesia and Egypt believe the whole world is shocked to hear of Rabin's assassination but hope that the peace process will continue without obstacles," Alatas said. [passage omitted]

Malaysia's Mahathir Addresses Session

BK0711085495 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 7 Nov 95

[FBIS Translated Excerpt] Malaysia has called on the Group of 15 countries to adopt a vertical approach in coping with the growing debt burden. Prime Minister Datuk Sri Dr. Mahathir Mohamed said the appreciation of the Japanese yen has increased the debt burden of developing countries, including Malaysia. The prime minister said this at the fifth G-15 plenary session after the meeting was officially opened by Argentine President Carlos Menem. The yen's sudden appreciation had created problems for many countries to repay their foreign debts. Foreign Minister Abdulah Badawi briefed reporters on the prime minister's speech at the plenary session.

[Begin Abdulah recording] Countries with yen-denominated debts suddenly have a higher amount of debts to the extent that some must repay twice or even three times more than the original amount. This has made Malaysia, which used to have a favorable trade balance, become a country with an unfavorable trade balance. [end recording]

At the plenary session, the prime minister also proposed several measures to improve the economy of G-15 and developing countries, including the utilization of those countries' competitive edge to boost trade and investment. G-15 countries are also urged to enhance their air and sea links, and their telecommunications system. The prime minister reiterated Malaysia's willingness to ensure the implementation of the proposed measures, including the bilateral payment system. [passage omitted]

Mahathir Calls For More G-15 Members

BK0711085695 Kuala Lumpur BERITA HARIAN in Malay 7 Nov 95

[Unattributed report; received via Internet]

[FBIS Translated Text] Buenos Aires, Monday — Malaysian Prime Minister Datuk Sri Dr. Mahathir

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mohamed said that the Group of 15 (G-15) summit that opens here today should be ready to accept more members who are interested in joining because it is not an exclusive club.

According to the prime minister, the number of representatives from the Asian region in the group is rather small. For this reason, with more member countries, more positive contributions can be made to G-15.

During the foreign ministers' meeting yesterday, Malaysia proposed that South Africa and Pakistan be accepted as new members to boost the capability of the G-15, and to enhance South-South cooperation.

Malaysia feels that South Africa is now qualified to be a member of the G-15, while Pakistan has stated its intention to join the group.

Speaking to Malaysian journalists here yesterday after receiving 20 horses purchased for the Royal Malaysian Police, Dr. Mahathir expressed hope that the current summit will make some progress in an effort to enhance South-South cooperation.

He is confident that this can be achieved because since the establishment of the G-15 and the start of the South-South policy, trade activities among member countries increased by 300 percent and are continuing to rise.

"Regarding this, we are very confident that more obstacles can be eliminated at the current G-15 summit, so that we can enhance trade, and social and cultural ties between the countries of the South," he said.

The G-15 summit — formally opened as the heads of government were entertained at a dinner by Argentine President Carlos Menem last night — was said to have discarded the tradition of appealing to the developed countries of the North to solve the problem of poverty in the South.

On the contrary, the summit is expected to urge member countries to promote an open market policy within the context of each country individually.

For this reason, the senior officials meeting (SOM) had unanimously agreed to the establishment of the Cooperation in Investment, Trade and Technology (CITT) and the South Investment, Trade and Technology Data Exchange Center (SITTDEC).

Dr. Mahathir said, although the G-15 membership will be expanded, there is no need to change its name because that would not add any significance.

"The Group of 77 (G-77) remains known as the G-77 even though the number of members is no longer 77," he said.

He said that there is a high attendance of heads of state at the current G-15 when compared to the one held in New Delhi last year.

Malaysia and the host country, Argentina, are among the 10 member countries represented by the head of the government at the current G-15 summit.

Five other countries — Indonesia, Egypt, Algiers, Jamaica and Mexico — are represented by their respective foreign ministers.

"I hope for better participation at the G-15 summit in Africa next year," Dr. Mahathir added.

Malaysia's Abdullah on G-15 Membership

BK0311111995 Kuala Lumpur Voice of Malaysia in English 0800 GMT 3 Nov 95

[FBIS Transcribed Text] Malaysia says there is a possibility for G-15 [Group of 15] to open its door to other countries interested to join the group. At present Pakistan and several other African countries, including South Africa, are among those intending to join the G-15.

This was indicated by Foreign Minister Datuk Abdullah Ahmad Badawi in an interview with RTM in Buenos Aires, Argentina. He said the bilateral payment arrangement initiated by Malaysia, has succeeded in enhancing trade among member countries. The program is regarded as one of the most effective programs in strengthening South-South cooperation.

Peru's Fujimori Cancels Attendance

PA0511012595 Mexico City NOTIMEX in Spanish 2147 GMT 4 Nov 95

[FBIS Translated Text] Lima, 4 Nov (NOTIMEX) — Peruvian President Alberto Fujimori announced today the cancelation of his trip to Buenos Aires, Argentina where he was going to participate in the fifth summit of the Group of 15 (G-15) on 8 November.

Fujimori made this announcement without giving any explanations, after the closure of the Annual Executives Conference (CADE-95), a gathering of more than 800 national businessmen in the Andean region of Cusco, 1,170 km southeast of Lima.

According to Presidency sources, Foreign Minister Francisco Tudela and Chief of Foreign Ministry Staff Hugo de Zela Martinez will represent Peru at the G-15 summit.

Gino Guirffin, international economic organization director at the Technical Integration Office, will also attend. The Peruvian delegation will also participate in the plenary meeting of foreign ministers this weekend.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Senegal's Thiam Addresses Summit

PY0611184795 Buenos Aires Telefe LS84 Television Network in Spanish 1320 GMT 6 Nov 95

[Speech by Senegalese Prime Minister Habib Thiam to the Fifth Summit of Heads of State and Government of the Group of 15 at the Alvear Palace Hotel in Buenos Aires — live, in French with simultaneous translation into Spanish; broadcast in progress]

[FBIS Translated Text] ...is a measure of the commitment of President Carlos Menem, his administration, and the Argentine people, to South-South cooperation which is a key element for the growth and prosperity of our states.

Mr. President, in the past the people who invaded Argentina were looking for gold and other riches, today Africa has come to Argentina looking for business opportunities and the chance to get acquainted with the radical changes that President Carlos Menem's administration has made to the country's economy. Through political stability, constitutional reform, greater social justice, and the struggle against inflation and unemployment, coupled with great vision and an enlightened leadership, President Menem's administration has laid the foundations for a competitive economy which awakens our admiration.

In addition to getting the economy to work for the people, President Menem is also to be praised for having shored up Argentina's role as a cultural center in South America.

Mr. President, our meeting is taking place at crucial times, in the wake of other world summits that dealt with key issues, but particularly in the wake of the world leaders' reiterated commitment in New York last week, to solidarity and cooperation, ideals which are part of the UN Charter.

This summit is also taking place amid the process of globalization of world economy and the swift development of regional and multiregional trade organizations.

The challenges that are facing us on the eve of the third millennium, the economic obligations that stunt our development, unemployment, debt, poverty, and the pressure on us to adjust our economies to the requirements of globalization, should make us realize that we are undergoing a critical phase and our countries must work together to take the best possible advantage of the opportunities and potential of our regional markets.

Mr. President, we are approaching the end of a decade of unshared wealth between rich countries and countries for which the survival of their people is a matter of concern. Dwindling international assistance could well turn this into a decade of unfulfilled hopes despite the amassed wealth and the legitimate expectations arising from international relaxation.

In certain parts of Africa, for example, economic stagnation has led to chronic malnutrition, unemployment, and poverty. Despite our efforts and the structural adjustments of our economies, growth has not come to stay and long-term continental development is jeopardized by declining terms of trade, excessive debt, severe reduction of domestic and foreign investments, and the reduction of public aid for development.

I would like to say, however, that as far as my country, Senegal, is concerned, the efforts it has been making over recent years have began to yield results our country's growth now stands at 4.5 percent after three years of decline.

Africa is worried about [words indistinct] lasting development at international forums. Thus, we assign great significance to the Ninth United Nations Conference on Trade and Development which will take place in South Africa in 1996. This conference should vigorously contribute to the drawing up of a fairer worldwide economic policy.

We would also like to call upon the donor countries to significantly rebuild the funds of the [word indistinct] 11 so as to can increase aid to poor countries and keep their debt at a level more in keeping with their status quo.

In the light of food uncertainties in developing countries the Group of 15 will wholeheartedly support a world food summit in 1996. We must make sure that there will be enough food for us. The ideas that I just mentioned should compound the measures that are being implemented within the framework of the new UN program for Africa in the nineties.

Mr. President, if we want to rise to the challenges that lie ahead of the countries present at this summit, we must realize that South-South cooperation will give our group greater negotiating power. We must take a more creative and ambitious approach to our quest for greater effectiveness. Thus, the president and his peers should be entrusted with the task attending, with the help of French President Jacques Chirac, the coming summit in Lyons as observers in order to submit to that summit's consideration the final declaration of the Buenos Aires meeting.

The objective of all this, Mr. President, is to shore up our achievements through an evaluation of the various projects the Group of 15 has undertaken since 1990. We want to expand our group's participation in world affairs to give it a broader scope for initiative and action.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mr. President, I would like to wrap up this speech by pointing out that the heads of state of Algeria, Cyprus, Nigeria, Zimbabwe, and the representative of Senegal, have much appreciated your opening statement which is a source of inspiration and guidance for our talks here.

Africa as a whole will support a joint declaration on the challenges of international cooperation through the year 2000 and beyond, so that the entire world can see that the countries of this group want to play a more relevant role in the swift evolution of our planet.

Mr. President, Africa will stay committed to the objectives outlined in this declaration, particularly because it believes that the Buenos Aires summit will epitomize our joint decision to take concrete measures for the well-being of our people. Africa will rise to the challenge of the next millennium.

Venezuela's Caldera on Summit Importance

PA0711044095 Caracas Venezolana de Television Network in Spanish 1545 GMT 6 Nov 95

[FBIS Translated Text] Venezuelan President Dr. Rafael Caldera will participate at the Fifth Summit of Chiefs of State and Government of the Group of 15 [G-15]. Argentine President Carlos Menem today inaugurated this summit today in Argentina. The Venezuelan chief of state arrived in Buenos Aires on Sunday afternoon.

In President Caldera's opinion, the G-15 meeting is important because it reflects concern, and its purpose is for the South American countries to think about and cooperate with each other.

[Begin Caldera recording] It is an important meeting because it reflects concern and its objective are the reflection and cooperation among the countries of the South to encourage a high- level and dignified dialogue between the developed North and the developing South. [end recording]

The Venezuelan president visited the (Plaza Rivalabia) where he placed a flower arrangement before the monument honoring the father of the nation. During this ceremony, he thanked the Argentine Bolivarian Society for keeping alive the cult to Simon Bolivar and Sanmartin.

[Begin Caldera recording] All of us depend on one another. Liberty, independence, human rights, and economic and social development depend on whether we know how to coordinate and add up our efforts, skills, ideologies, no matter how different they are within democratic pluralism, and above all our political resolve to succeed and reach the destiny that is increasingly pointed out daily by the message conveyed by the creators of nationality. [end recording]

The G-15 meeting of chiefs of state and government will end this Tuesday when the chiefs of state are scheduled to sign a final document. The Venezuelan president will travel to Uruguay on Tuesday to participate at the meeting of the ALADI [Latin American Integration Association].

Caldera on Economy, Summit Goals

PA0711232095 Caracas Venezolana de Television Network in Spanish 1550 GMT 7 Nov 95

[FBIS Translated Text] At the closing of the Group of 15 [G-15] Summit in Buenos Aires, Argentina, President Rafael Caldera affirmed that his administration will not raise gasoline prices again, and that he wants to eliminate control over the currency exchange rate and to move toward a free currency exchange policy. On Tuesday, the president begins a visit to Uruguay which ends on Thursday. The closing of the G-15 Summit ended with the signing of the Buenos Aires declaration.

During his speech, President Caldera urged the Latin American countries to join in an effort to strengthen the areas' competitive presence in an increasingly globalized world. Caldera urged a North-South dialogue to achieve genuine peace.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Further Reportage on Conference of Americas Armies

Argentina's Defense Minister Comments

PY0711182295 Buenos Aires TELAM in Spanish 2248 GMT 6 Nov 95

[FBIS Translated Excerpt] Bariloche, 6 Nov (TELAM) — Inaugurating the 21st Conference of the Armies of the Americas (CEA) at the Llao-Llao Hotel in the City of Bariloche, Defense Minister Oscar Camilion emphasized today that it is incumbent upon society as a whole to be concerned about defense.

Camilion stated: "Defense is an obligation of society" adding that "the Armed Forces play a significant role in discharging this obligation."

After being formally inaugurated by the defense minister, the 21st Conference of the Armies of the Americas began its sessions today under the slogan: "The Challenges Confronting the Nation-State and Implications for the Security and Defense of the Hemisphere."

Camilion added: "Rather than delegate the responsibility of defense, the state must shoulder it. This requires coordination between the government and the Armed Forces."

The defense minister underscored that "territorial identity and national identity are one and the same thing" adding that "whenever territorial integrity faces conflict, it is also a threat for the nation."

The minister added: "Security constitutes a less conflictive risk." Camilion was confident that "this meeting will be instrumental in defining the risks that threaten the Nation-State." [passage omitted].

The foreign delegations arrived in San Carlos de Bariloche yesterday. Today's plenary session comprised the reading of the order of the day and the presentation of delegations participating in the conference.

A meeting behind closed doors was then held to discuss "Threats to Nation-States: Their Consequences for the Security and Defense of the Americas."

The plenum confirmed that Ecuador will be the venue for the next CEA and evaluated Suriname's proposal to join the organization as observer.

Deliberations will start at 0815 local time tomorrow, with the approval of the minutes of the previous meeting. Representatives from the Armies of the Americas will then address the meeting.

The agenda for 8 November includes the discussion of a report on Central America to be submitted by the Guatemalan Army and of a report drafted by Division General John Curtis Ellerson, chairman of the Inter-American Defense Board (an observer organization).

On that same day, the Argentine Army will make a presentation about voluntary military service and Brazil will deliver a speech on peacekeeping operations.

In the afternoon, Ecuador and the United States will deliver speeches on the School of the Americas.

President Carlos Menem is to address the military representatives of the 16 CEA member countries and observers of the Inter-American Defense Board — which comes under the jurisdiction of the OAS — on 9 November at 1300 local time.

Chile's Pinochet Makes Appearance

PY0611141895 Buenos Aires TELAM in Spanish 2106 GMT 5 Nov 95

[FBIS Translated Text] Bariloche, 5 Nov (TELAM) — General Augusto Pinochet, commander in chief of the Chilean Army, arrived suddenly in this city today to participate in the 21st Conference of American Armies.

The Chilean military man arrived at 1350 [1650 GMT] at the local airport aboard a Lear jet of the Chilean Air Force, and was met by Colonel Eduardo Gonzalez Meneclier, the secretary of the conference, among other military authorities.

After the welcome ceremony, amid a strict security operation, Pinochet — dressed in civilian clothes — boarded a Chilean car that was awaiting him on the airstrip. Escorted by other vehicles, he went to the Llao Llao Hotel where the conference will be held.

Military spokespersons said Pinochet's arrival was scheduled for 1 November, but "for security reasons" his arrival today was unannounced.

The other foreign delegations began to arrive today on commercial flights. The commanders of the Bolivian and Colombian Armies arrived this morning, and later the commanders of the Canadian, Uruguayan, Peruvian, and Venezuelan Armies arrived.

A special flight arrived just after 1500 with the U.S. chief of staff, Commander Dennis Reimmer. The other delegations will arrive on a commercial flight at 1830.

Army Officials on Confidence Measures

PY0911021295 Buenos Aires TELAM in Spanish 2101 GMT 8 Nov 95

[FBIS Translated Excerpt] Bariloche, 8 Nov (TELAM) — General Ernesto Bossi, the Fifth Armies' Conference of the Americas (CEA) secretary general, has reported that the representatives of the Armies of the Americas

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

today praised the measures taken to enhance mutual confidence among the regional military forces.

Bossi, who also served as spokesman for the deliberations, which are being held at the Llao Llao Hotel in Bariloche, also reported that the CEA had unanimously approved Nicaragua's entry as an observer.

It was officially reported that the CEA deliberations would be closed on 9 November by President Carlos Menem, who will arrive in San Carlos de Bariloche in the morning of 9 November. [passage omitted]

Asked if Cuba's entry into the CEA had been reviewed during the deliberations, the military source answered that a request by that country has not been received. He added: "This issue is not being reviewed."

Concerning regional poverty and social imbalances, the spokesman reported that they were specifically reviewed as "a source for conflicts." He explained, however, that armies, at least the Argentine Army, do not have the duty of participating in internal issues.

Bossi also indicated that AIDS, cholera, and other diseases that affect social issues had been reviewed.

Bossi explained: "Issues like AIDS and cholera represent a source of permanent concern for us, not only for our forces and for our families in our country, but also for our peace missions abroad."

Reportage on ALADI Meetings in Montevideo

Bolivian Minister on ALADI Role

PY0811234695 Madrid EFE in Spanish
1640 GMT 7 Nov 95

[FBIS Translated Excerpt] Montevideo, 7 Nov (EFE) — On 7 November Bolivian Foreign Minister Antonio Aranibar Quiroga asked the Latin American Integration Association (ALADI) to play a leading role and increase its effectiveness "to profit from the headway achieved by the various integration systems of our region."

The Bolivian foreign minister emphasized that ALADI "has been virtually left without an agenda." He noted that this situation "has been prompted by ALADI's lack of firm and bold proposals to keep its goal alive."

Aranibar Quiroga, who began an official visit to Uruguay on 6 November, held a special meeting with the ALADI representatives committee. The ALADI is headquartered in Montevideo.

In his speech, the Bolivian foreign minister emphasized: "The ALADI cannot be a notary, merely recording agreements on projects implemented outside ALADI. In addition, it cannot be a slow bureaucracy that has lost its dynamics for achieving lofty goals."

In a speech that was more critical than usual for this type of ceremony, the minister pointed out: "It seems that it was easier to take a moderate — perhaps even passive — attitude, epitomized in merely pondering and — perhaps — encouraging the use of the legal framework of the Montevideo Treaty." The Montevideo Treaty led to the establishment of the ALADI in 1980. [passage omitted]

Upon welcoming Aranibar Quiroga, Peruvian representative Guillermo del Solar, the ALADI representatives committee chairman, emphasized that the ALADI wants to be a "valuable mechanism" for achieving the targeted free trade market of the Americas.

Bolivian representative Isaac Maidana, the ALADI assistant secretary general, emphasized that the ALADI "wants to become a complement for the economic and social development" of the member countries, "and cooperate in reducing poverty in our region."

ALADI is comprised of Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela, as member countries, and representatives from various Caribbean and European countries and organizations, as observers.

Venezuela's Caldera Visits

PY0911002195 Buenos Aires TELAM in Spanish
1841 GMT 8 Nov 95

[FBIS Translated Text] Montevideo, 8 Nov (TELAM) — Venezuelan President Rafael Caldera said today that Mercosur's [Common Market of the South] success has been an inspiration for the Andean Pact (AP), adding that his country wants to be "the hinge" holding both blocs together.

Caldera, who yesterday began "a very pleasant" official visit to Uruguay, today visited the headquarters of the Latin American Integration Association (ALADI). He was received by the Committee of Permanent Representatives, which is currently presided over by Peruvian Ambassador Guillermo del Solar.

Referring to Mercosur, Caldera said that its appearance was "surprising" although "natural," adding that Mercosur's rapid progress has served as an inspiration to Venezuela and the Andean Pact.

Caldera said we must not feel that the creation of subregional blocs suffices because the goal, as envisioned by liberators Simon Bolivar and San Martin, must be "to continue seeking the path of unification." Caldera said this path is more urgently needed today as a consequence of the world "globalization."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Venezuelan president mentioned an existing bilateral agreement between his country and Brazil, one of the Mercosur partners, and expressed hopes that this agreement will contribute to the definitive approchement between both subregional blocs.

The special role of the private sector in the process of integration and the need to end all types of protectionism were other issues discussed by the Venezuelan president. Upon leaving the ALADI headquarters, Caldera drove to Uruguayan President Julio Maria Sanguinetti's official residence for lunch and a working meeting.

This afternoon the two countries' foreign ministers will sign a cooperation agreement to fight drug trafficking and a cooperation agreement involving representatives of the company Venezuelan Petroleum, Inc (PDVSA).

The officials will also negotiate the creation of a joint venture to build an oil refinery in this country and the sale of a new type of gasoline to Uruguay's electric company UTE [General Administration of State Electric Power and Telephones].

Peru's Fujimori Addresses Andean Parliament on Integration

PY0911004895 Lima EL COMERCIO in Spanish 28 Oct 95 p A4

[FBIS Translated Text] During the sixth period of sessions of the Andean Parliament, which began yesterday in the Congress building, Peruvian President Alberto Fujimori said that it is up to the current leaders and legislators to move toward Andean integration and close the gap between the developed and developing countries.

Fujimori commented that that gap has not ceased to widen and we are, consequently, living in a state of emergency. Therefore, Fujimori proposed taking a step forward by using education to acquire knowledge that will allow us, in the shortest possible time, to close that gap.

The head of state said: "Integration must be a reality in the 21st century, and this is why the great responsibility of slowing down or speeding up this historical process lies in the hands of the current leaders and legislators."

In Fujimori's opinion, sooner or later the Andean nations will face the future united.

He said: "We are still divided by the inertia of a past characterized by mistrust, sown from outside the region by those who directly or indirectly benefit from our division and weakness."

Fujimori commented that, taking advantage of the winds of renewal that are blowing, we are recovering from setbacks and traumatic experiences. We must strive to make our economies compatible and promote the creation of a free trade zone.

"We are once again confronted with the opportunity to extricate ourselves from the vicious circle of backwardness and dependency. Our economies are experiencing an opening process, and I am convinced this will contribute to speeding up regional integration."

Fujimori mentioned the example of Peru's commercial relationship with Bolivia. "We need to make more progress among ourselves, even in the tariffs field, such as the sales tax. It would be nice if we could make it uniform."

He also made an appeal to the Andean nations to promote policies designed to prepare the groundwork for a true integration. [passage omitted]

OAS Forum on Corruption Closes in Montevideo

PY0911024895 Madrid EFE in Spanish 2021 GMT 7 Nov 95

[FBIS Translated Text] Montevideo, 7 Nov (EFE) — A seminar that closed today in Montevideo analyzed the national and international struggle against corruption by the state, social organizations, and companies.

Venezuelan President Rafael Caldera, who began an official visit to Uruguay today, will close the gathering, entitled Seminar on Probity and Civic Ethics, tonight.

The seminar is being held within the framework of OAS efforts to work out a common strategy to fight a problem that recognizes no borders; equally affects large and small countries, developed and developing countries; and endangers the economic opening and democratization processes.

These efforts will probably end with an inter-American convention against corruption, which is already being prepared and might be approved at the beginning of 1996.

The presidents and heads of state and government who participated in the Summit of the Americas in Miami in December 1994 decided to develop, through the OAS, "a hemispheric approach toward acts of corruption in public and private areas that should include the extradition and trial of individuals charged with corruption."

According to U.S. citizen Robert Klitgaard, one of the seminar's speakers, "systematic corruption is a problem of systems, not a problems of individuals without ethics."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Klitgaard, professor at the University of Santa Monica and author of the book "Strategies To Fight Systematic Corruption," thinks the key to solving the problem is to reform the administration; to break with the culture of impunity; and to develop the details of the plan or struggle, adapting it to local conditions.

The need to modernize the state and to make the private sector assume its share of responsibility in solving the problem has been defended by most speakers, together with the need to increase international cooperation.

Speakers discussed the convenience of unifying countries' legislation in order to have a common definition of and punishment for the crime of corruption.

OAS Secretary General Cesar Gaviria, former Colombian president, spoke during the inaugural session about imposing limitations to the banking secrecy code and the right to asylum to prevent these rights from being used to hide illegally obtained money or to prevent the trial of individuals accused of acts such as embezzlement, undue appropriations, or bribery.

Gaviria's proposal with respect to the right of asylum has special importance in light of cases such as the ones involving [former] Ecuadoran Vice President Alberto Dahik, who is being accused of corruption and who has escaped to Costa Rica, and former Peruvian President Alan Garcia, who is being charged with similar crimes and who is constantly on the move between Colombia and France.

Peruvian Comptroller General Victor Enrique Caso Lay, who spoke during a working session about the Peruvian experience in fighting corruption, explained the characteristics and the initial results of a program involving citizens' reports and suggestions that was implemented in his country five months ago.

"Society pays the costs of corruption because as a result of the problem, the benefits to which they are entitled are reduced. Society is affected by corruption and, therefore, it must be involved in supervising the public administration," Caso Lay said.

Catherine Small spoke on behalf of the Organization for Economic Cooperation and Development (OECD). She warned about institutionalizing the payment of commissions, while Antonio Sanchez de Lozada, senator and former Bolivian comptroller general, elaborated on the concept of public responsibility.

The moralization of society and the strengthening of the judicial branch were other issues speakers considered key elements in the fight against corruption.

Gaviria stressed that "impunity is the greatest enemy of democracy." Professor Robert Klitgaard said the best way to end the skepticism that surrounds the fight against corruption in many countries is "to catch the big fish."

OLADE Meeting in Quito To Debate Energy Network System

PY0911023895 Quito Voz de Los Andes in Spanish 2300 GMT 7 Nov 95

[FBIS Translated Excerpt] The 26th ministerial meeting of the Latin American Energy Organization, OLADE, which will be held in Quito on 9 and 10 November, will be attended by representatives of 16 countries of the continent, who will debate the creation of an energy network throughout the region.

Gustavo Martinez, coordinator of the OLADE in Ecuador, said 16 countries will attend the meeting; half of them will be represented by energy ministers, and the remainder by deputy energy ministers. Martinez added that international organizations such as the OAS; the UN Development Program; the Latin American Economic System, SELA; and the OPEC will also be represented at the meeting. [passage omitted]

OLADE Secretary Francisco Gutierrez said the OLADE will present 25 energy projects for Latin America and the Caribbean to begin the energy integration of the region. They include electricity, natural gas, oil, geothermal, and solar energy projects. He said these are medium- and long-term projects for Latin America. The projects will be evaluated at the technical level during the 26th OLADE ministerial meeting to be held from 9 to 10 November in Quito. The projects will help to overecome the energy deficit of the countries of the region. In the case of natural gas projects, thermoelectrical plants could be developed, which, in addition to being noncontaminating, would help increase production.

Gutierrez pointed out that the natural gas reserves of Latin America and the Caribbean are higher than the reserves in the United States and Canada. Therefore, this sector presents investment opportunities for the construction of natural gas pipelines connecting various countries. Gutierrez gave no figures on the natural gas reserves.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba

Ambassador To Iran Interviewed on 'Strategic Friendship'

NC0211111895 Tehran RESALAT in Persian 18 Oct 95 p 6

["Exclusive" interview with the Cuban ambassador to Iran by an unidentified correspondent; place and date not given]

[FBIS Translated Text] [RESALAT] Please state your view on the impact that international developments, especially the disintegration of the former Soviet Union, has had on Cuba and its foreign policy. Does Cuba and its political circles consider these developments to be detrimental?

[Ambassador] I should say that we are extremely saddened by the disintegration of the Soviet Union, because the only pole that could stand in front of America has been destroyed. The Soviet Union's disintegration was extremely detrimental, especially for Cuban bilateral relations, because for a period of 35 years Cuba had based its technical-economic activities, bank loans, and technical-technological activities on its relations with the Soviet Union and the socialist countries.

[RESALAT] After the disintegration of the East Bloc, did the countries that were dependent on this bloc, especially Cuba, choose another bloc? In what direction did Cuba incline—toward the non-aligned movement or toward reconciliation with the West's capitalist bloc?

[Ambassador] From a political point of view, we still continue to maintain the same ideological principles that we had exactly the same as they were before the Soviet Union's disintegration. Cuba is a socialist country and will remain a socialist country, and it will never give up its objectives, its social justice, and its revolutionary gains. As for foreign policy, I should say that Cuba's foreign policy is extremely independent and will remain so.

We are a member of the Nonaligned Movement [NAM] and place great emphasis on the significance of this movement and its member-countries, which represent the Third World. However, some powers—like America—are trying to destroy this movement or to make changes in it as they like.

Our policies are based on three principles: Mutual respect, the inviolability of our right to self-determination, and non-intervention in the domestic affairs of other countries.

With the unjust conditions that rule organs such as the UN Security Council, the Third World countries—apart from the NAM members—have no means to defend their rights.

[RESALAT] What stand has Cuba's foreign policy adopted after the disintegration of the former Soviet Union in confronting the hegemonism of America?

[Ambassador] Cuba's stand continues to be the same, meaning that it asks for help and solidarity from other countries and nations for its struggle against America. As you know, during the last three years, the countries in the United Nations have been protesting against America's sanctions on Cuba. All countries, apart from America and Israel, have been voting against these sanctions. All these votes show that America's policies on our countries are becoming isolated. There has been $2.3 billion in foreign investment in Cuba and this is at a time when America is threatening all those who want to invest in Cuba.

This also shows that Cuba's market is flourishing.

There are half a million people working in Cuba's private sector. America opposes this and is intensifying its sanctions on us more and more each day. America's intention is not to hold talks with Cuba. Its intention is to destroy our revolution.

[RESALAT] Doesn't the bringing in of foreign capital for Cuba mean distancing it from socialism?

[Ambassador] I should say that contrary to the Islamic Republic of Iran, Cuba is not a rich country and this is why it has no other choice but to turn to foreign capital. Of course, this is not because we are turning to capitalism, but because we want to save our revolution. We even have to pay the social prices, such as the bribery and corruption some of the foreign tourists bring to Cuba, with them. Of course we confront these. But the most important thing for us is to safeguard our path.

In this way we have been able to improve our economy to a certain extent. Our economic growth last year was .7 percent and has increased to 2 percent this year.

Of course, I should say that Cuba will never turn to imperialism and capitalism after 40 years of struggle against these two.

[RESALAT] You referred to the social price that you have to pay for foreign investments. Have you had to pay a political price as well?

[Ambassador] The political price you are referring to is linked with the economic price that Cuba is paying.

We will take further measures in order to attract foreign investment and we will make some changes in our economic system. But this will not destroy our country's

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

system in any way and I am sure that with our efforts, in the coming years, we will reach the same standard of living that we had before the disintegration of the Soviet Union. Of course, we have faced many difficulties. No country in the world has had to completely change its economic system over a period of 35 years. Cuba changed from cooperation with America (capitalism) to cooperation with the former Soviet Union (socialism) in 1959, and then changed again after the disintegration of the Soviet Union.

America is trying to internationalize the sanctions on Cuba and force all countries to sever their trade and relations with Cuba. Even after all these pressures, the Cuban people still insist on their ideology; this is a manifestation of their heroism.

[RESALAT] In your opinion, what is the reason why people flee Cuba and emigrate to America?

[Ambassador] In all countries of the world, there are people who prefer to go to countries where living conditions are better. The same applies to Cuba.

Emigration is a process that exists in many developing countries and we think that emigration in Cuba, which is of an economic nature, is natural because many believe that Cuba's economic situation will not improve and therefore they leave the country.

Now, on the basis of agreements, 20,000 Cubans can emigrate to America each year.

[RESALAT] CNN recently reported that Russia intends to activate a nuclear reactor in Cuba. What is your opinion on this? Will this not be a reminder of the missile crisis in the early 60's?

[Ambassador] I have not heard this report and I am unaware of this. But in 1976, the former Soviet Union had started the installation of a nuclear power plant in Cuba. However, in 1982, because of the developments in the former Soviet Union, this project was left incomplete...[ellipsis as published]

[RESALAT] What is your opinion on Cuba's cooperation with America's non—political circles? For example, the American mass media are to set up an office. Will this affect America's policy on Cuba?

[Ambassador] I think this will not affect America's policy. What the Americans intend to do is known as the "Toricelli 2" plan, which was prepared by the American rightists.

The first plan envisages the destruction of Cuba through economic sanctions and hunger or through a possible military attempt against Cuba.

A second theory envisages the destruction of Cuba from within. On the basis of the first plan, in addition to the intensification of sanctions on Cuba, they intend to turn the country, once again, into an American satellite. They have 20 anti-Cuban television and radio channels, and it is possible that they may someday carry out a military attempt against Cuba as well.

On the basis of the second plan, in addition to sanctions, they will not allow anyone to go to Cuba from America. They will establish an office in Cuba and set up a telephone line between Cuba and America. They will send American experts on social affairs to Cuba and these experts will invite their Cuban counterparts to America. This plan was initiated by Clinton's assistant on Cuban affairs and the objective is to destroy Cuba's revolution. Of course, we should say that irrespective of the plan by the extremist rightists in America we accept talks with America, but on the basis of respect for Cuba's sovereignty and non-intervention in one another's domestic affairs. On the basis of these principles, we can hold talks on political, economic, and cultural issues with any country. The Islamic Republic of Iran and Cuba have many similarities, as an example I can refer to the accusations against the two countries on ignoring the new world order, support for terrorism, and so on.

[RESALAT] In your opinion, what common policy can Iran and Cuba adopt against America? Also, to what extent do you think America's policy on Iran has been effective?

[Ambassador] The Islamic Republic of Iran enjoys great support in its foreign policy. At the same time, it has a policy on solidarity with Third World countries and has normal relations with all countries except America and Israel.

This is why there is a sincere and strategic friendship between Iran and Cuba, since we (Iran and Cuba) are countries which will not allow other countries to rule us and are not afraid of the language of force. America is making a great mistake in its policies on Iran. America's recent economic sanctions on Iran were actually imposed on the American companies and not only the Islamic Republic of Iran, because the number of countries that followed America in imposing sanctions was very low. Since Iran is a wealthy country, it can have $20 billion in foreign purchases annually, all countries automatically turn to Iranian markets. For this reason, America's efforts to paint a negative picture of Iran has been very futile. As far as our policies vis-a-vis America are concerned, we are following a common line. When casting votes in international organizations, we agree with Iran and we support one another. As far as

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the future of these relations are concerned, I should say that more should be done in the field of economics and in assisting each other. Also, more steps should be taken to acquaint the two nations to each other's cultures.

Of course, cooperation between Iran and Cuba is not of an opportunistic nature and we do not have relations only for the sake of economic or commercial interests. Our cooperation is based on international principles.

Foreign Minister Comments on License To Travel

PA0711173595 Havana Radio Rebelde Network in Spanish 1237 GMT 7 Nov 95

[Report by Zenaida Costales from the "Doing Radio" newscast — passages within quotation marks are recorded]

[FBIS Translated Text] Once again history and reason have permitted a meeting between Cubans and the nation with a view to the noble task of normalizing relations.

Without a time limit or exclusion of topics, the emigres had the opportunity to put across their ideas and opinions. Various panels have allowed the broaching of topics of interest. Such is the case with the migration policy panel, which, according to observers, also broached important migration problems worrying and concerning residents abroad.

By the end of the conference, these residents abroad found solutions through the adoption of a new measure to travel with greater freedom to the island by using a document called a license to travel [licencia de viaje]. The license has a two-year duration and may be extended.

Foreign Minister Roberto Robaina has said in this regard:

[Robaina] "This should not be seen as a spectacular discovery today and is not even the result of any of the talks during the conference. Instead, I look at the antecedents that were pre-approved in the previous conference. We said in the previous conference that many Cuban citizens who live anywhere in the world had much paperwork in order to travel to country or deal with the country. I want to explain this point, from the government's point of view, with the following reflection: If the hostile attitude of a group up to now has made it necessary for us to have certain restrictions with everyone, I believe the time has come for everyone, with a respectful attitude, to make the restrictions apply to those who are hostile."

The measures have already been announced. The only point pending is an implementation process:

[Robaina] "I believe it is important that you also contribute. We have made a very important decision, but we now need to work on implementing that decision. On this decision, although it has been announced, I would like [words indistinct] raise your hand [words indistinct] those who respectfully share with the country. It must be understood that sharing only refers to respect and understanding, because the announcement is very clear: No one is asked to become ideologically affiliated in order to visit the country, but there is no room for hostilities, aggressiveness, or hysteria."

The foreign minister believes these measures are not a message but, rather, part of a process of transformation and normalization of Cuban migration policies:

[Robaina] "Cuba underwent a deep process of transformation 36 years ago, and this has not stopped. The point is that we do it our way, Cuban style, at our rhythm and speed. Furthermore, we have not accepted and will never accept measures being imposed on us from abroad as to what we have to do."

Menoyo Urges End of U.S. Travel Restrictions to Nation

PA0811012095 Havana PRENSA LATINA in Spanish 1933 GMT 6 Nov 95

[By Susana Ugarte]

[FBIS Translated Text] Havana, 6 Nov (PL) — The decision of Cuba to eliminate restrictions from the system governing the entry of emigres to the country requires, at least, that the restrictions imposed on the island by the United States be lifted, Eloy Gutierrez Menoyo declared here today.

In a conversation with the press after the Foreign Minister Roberto Robaina announced the new provision before the plenum of the second "The Nation and the Emigration" conference, Menoyo demanded an urgent, thought-out response from U.S. authorities.

This measure, he added, really links Cubans with their nation. "A thought—out gesture from the United States, which has many times advanced in this regard but has not fully done so, should be made in order to overturn all existing regulations."

Menoyo, a former counterrevolutionary prisoner residing in Miami, stated that it is the time that Cubans may enter and leave the island whenever they want, without being forced to write lies on U.S. immigration documents on supposed sick relatives.

For Luis Ortega, a known columnist of New York's LA PRENSA daily, the most important Spanish-language

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

newspaper in the United States, this would have the same significance as the lifting of the blockade.

The entry into effect of the so-called travel permit [vigencia de viaje], renovated every two years, is a considerable step to thaw our relations; it is "the end of the Cold War between Cuba and its emigres," he noted.

Ortega considered this has been a key step and "I believe Cubans will come in large numbers when they learn the news."

"Now Cuban nationals must only act as any person anywhere in the world," Mariteri Vichot, a Cuban-American living in Miami, has stressed.

Now many more emigres will surely come, she affirmed, and stated that the normalization of flights to Havana is in order and the restrictions decreed 5 August 1994 (announced by U.S. President William Clinton during the so-called rafters' crisis) should be canceled.

We will all be able to travel to Cuba now, and it is now up to U.S. authorities to eliminate the obligation to request a license from the Department of the Treasury and the harassment and searches we are subjected to in airports, Vichot added. The United States is morally obliged to take that step, she expressed.

Attorney Jose M. Estevez, a resident in Upland, California, in an outburst of joy said: "I think this is great. This is what we had always longed for, but I am also very pleased by the remark made by Foreign Minister Robaina that the Cubans who arrive in the country must be opposed to the blockade."

In addition, he stressed, those who come should not have criminal records and — aside from their political, ideological, and economic beliefs — they must support their country's legitimate right to be sovereign, free, and independent as any nation in the world.

The measure announced by Robaina stipulates that the emigres will be able to enter the island as many times as they want, using a document called travel permit, without the need for the current entry permit, if they so desire.

Further Reportage on Nation, Emigration Conference

Politburo Member Closes Conference

PA0811155895 Havana Radio Rebelde Network in Spanish 2102 GMT 6 Nov 95

[Speech by Jose Ramon Balaguer, member of Cuba's Politburo, at the closing of the Nation and Emigration Conference from the Convention Palace in Havana — live relay]

[FBIS Translated Text] Compatriots: We close the 2nd Nation and Emigration Conference as a continuation of the process to normalize relationships between Cuba and its emigres, a process which, I must emphasize, is irreversible. The preparation and development of the conference has allowed us to share your social experiences and [word indistinct] points of view and everything that helps us to understand and feel the reality which you live outside of Cuba.

You have spoken here with complete freedom. Cuban compatriots come from the most diverse regions of the world with diverse worries and concerns, but what unites us all is love for the fatherland, respect for the people who build their destiny in it, and the will to contribute to the safeguarding and improvement of our nation, all of which have made this meeting a success.

Many questions have been asked. Many ideas have been proposed. Requests have been made that the country will have to study in the light of its reality. Of course, we cannot resolve every issue in this conference, as in any other. I believe we all agree on that point. We cannot doubt—and life has shown—that the issues will be studied and that we will do everything to clarify every issue that has been presented, or not, at the proper time.

We have had the example today of what Robertico said about travel and education. I believe the expression he used at the end of his explanation is relevant; that is, that the opinions of a few have led us for a long time to generalize about the attitude of the majority. The opinions of the majority today lead us to limit the actions of the few. [applause]

We do well to remember something we said last year. Those who come from outside Cuba as well as those who live in Cuba have wounds; thus, we have been extremely careful. We have listened attentively without any prejudice; therefore, we will continue shaping our policy.

We have taken important steps and will continue to do so, but we cannot advance along a clear path if we come to Cuba with a desire to change everything against the will of the majority of the people, to place our country in a position of accepting everything that is said outside Cuba about who we are and where we must go. We believe it is also important that you get closer to the nation and that you listen to what it has to say.

It is important to know more about our country, what has been done, what has been achieved; you must know about that which we do not want to lose or must not

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

lose, how we are moving forward despite an illegal blockade [words indistinct] of those who have spent over 100 years trying to devour us, something which will not occur. All of this would facilitate exchange and understanding.

Many more things unite us than divide us. Above all, the Cuban nation, the Cuban people, are reason enough to advance along the path toward normalization. It is what we have in common that binds us to keep moving ahead, as Robertico said in one of his revealing speeches.

Many of the things we have today we could not even imagine yesterday. What seems impossible today could be a common reality tomorrow; we must only continue along this path without missing a step so that we do not destroy what we have achieved thus far. Moreover, the context in which we associate is still [word indistinct] to the country.

The strengthening of the criminal blockade is still defiance and against the international community, as was demonstrated by the last UN vote; that is, 117 votes against the blockade, twice the votes in 1992, 58 votes.

Meanwhile, the attempts to destroy what our people have been forging ahead with so much sacrifice continue. Thus, as much as we try to maintain our policy separate from that situation, each time we analyze and decide on something, we try our best to keep that policy from stopping it, but it becomes almost impossible.

We believe that you can do a lot to change this hostile atmosphere from wherever you live, not only in the United States. This is not a task for local Cubans only, but also for dignified and patriotic Cubans in every corner of the world.

Let us work together. You should grow stronger, in your countries, to overcome the threats and attacks that you have already experienced and to ensure that no one will prevent us from journeying together toward the future of the fatherland that Marti dreamed of.

I think and I believe that you would agree that the debate was rich, honest, and open, confirming that we are advancing a process of mutual trust. It is advisable that we stress these words that are very important for the remaining stretch of our path of mutual trust. This is necessary to deepen exchange.

I think that our actions have advanced toward a superior level, because we worked through panels and plenary meetings. This further facilitated the participation of Cubans here and abroad and allowed us to cover a larger number of topics and interests. The conference developed from a process of consultation with emigres, which proved to be a valuable instrument in gathering opinions. We will try to improve and perfect it.

You heard the analysis of our minister of economy and planning. You heard a little bit about the Cuban reality and of the changes that our country is making to advance, and we are certain that we will advance. You are contributing to this process. Those who excluded themselves, those who decided not to participate, and those who showed their anti-patriotic attitude, actually abstained from heeding the fatherland's call when it needed them the most. They will have to settle accounts with history. Of course, we must excuse those who were unable to come here because of unpredictable problems or health problems. They wish they had worked along with us and participated in our meetings.

To those who accompanied us in this conference, I reaffirm — on behalf of the country and of the event's organizers — I voice our recognition for your presence, for the valuable contributions you have have made in the long path that we must still follow until the moment, as we have said here, when these conferences will no longer be necessary.

Compatriots: It is never too late to intervene in favor of the fatherland. This is a decisive moment for all those who love it as an independent and dignified country. We will all save it in this journey. The best sons of this land, from here and abroad, must dedicate the rest of their lives to it. Thank you very much. [applause]

Commentary Views Results of Conference

PA0711033395 Havana Radio Rebelde Network in Spanish 1255 GMT 6 Nov 95

[Commentary by Orlando Contreras; from the "Doing Radio" newscast]

[FBIS Translated Text] Four days of work at the second the Nation and Emigration Conference will close today. I think that the most important result of this forum is that 355 Cubans residing in 36 countries came here to voice their thoughts with complete freedom and that all of them were heard with respect, even those who openly disagreed with the Cuban Government and with the political, economic, and social system that the people support; those who used foreign tribunes and media to propose political changes without taking into account that this nation is not a protectorate, that it has a Constitution, laws, and institutions, and thus, that the necessary changes and openings must be made in keeping with the existing institutional order and with the consensus of a majority of the people.

Another important element was the continuity of this process that will only conclude once the relations be-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

tween the nation and its emigres are completely normal. This path, however, [words indistinct] of temporary political, historical, and geographical realities, as was recalled by comrade Ricardo Alarcon, president of the National Assembly of the People's Government. He said that it is taking place within the framework of the struggle of a small country against the most powerful country on earth that arbitrarily and illegally decided to use a normal and natural human phenomenon, that is, emigration, as an instrument of its policy to destroy this small country.

As an initial assessment of the conference that will close today, as I said before, I would say that most Cubans, who came from 36 countries and paid their own transportation and lodging, believe in this process started by the Cuban state to normalize relations with its emigres. The large majority of Cubans have identified themselves with this land, and thus, are not indifferent to its pains, struggles, and dreams.

It is not chance that they gave a standing ovation to Eusebio Leal for his remarks on the migratory process being a universal development, that is also Cuban, although, and I quote, nothing material will be more important than the Cuban land, the basic land.

The conference work was divided into six panels or commissions. They dealt with the topics: Emigration policy, economic activity in Cuba, migratory policy and citizenship, culture and identity, problems faced by associations of Cubans residing abroad, and the emigres and their environment.

The main goal is to advance the process of normalizing the nation's relations with its emigres within the framework of a specific historical and political reality. It is indispensable to identify the problems of emigration and for the emigres to also identify the nation's reality as we journey along this path that Cuba has sovereignly embarked upon. I think that those common goals are being achieved.

Journalist Assesses Conference

PA0811011895 Havana Radio Rebelde Network in Spanish 1255 GMT 6 Nov 95

[Report by Maria Elena Alonso; from the "Doing Radio" newscast]

[FBIS Translated Excerpt] [Passage omitted] Among those who returned to the Nation and the Emigration Conference is journalist Luis Ortega. As you might recall, during the first conference, we aired an interview with him. The entire team that covered this event talked to him. I remind our listeners that Luis Ortega is a well-known journalist, who has for many years written for LA PRENSA newspaper of New York and he also is a contributing writer to CONTRAPUNTO Magazine that circulates in Miami and in other U.S. states. Those with good memories will recall that he had a column titled "Lampoon" [?El Pasquin] in PRENSA LIBRE newspaper. He was also owner of a newspaper that Batista closed in 1953. Here is a small part our dialogue with Luis Ortega yesterday:

[Begin recording] [Ortega] We were talking about the return of [word indistinct]. I view these conferences not as an attempt to reach an understanding with the government, but without the government. I think that most of those who came here want to be reintegrated, they want to restore contact with their land, because one never completely loses contact with the land where one was born.

This is evident in the United States among the large groups of persons from other countries who maintain their dances, foods, and traditions. Cubans have been stronger than other nationalities in this regard, because they have not only refused to integrate themselves to the country, they have not completely become U.S. citizens, but they have tried to turn U.S. citizens into Cuban citizens. They reverted the process. Instead of the melting pot, which consists of integrating themselves, to join... [pauses] Cubans have done the opposite. This is what caused great indignation among U.S. citizens, because they have Cubanized the area where they live.

Thus, Cubans in the United States have pulled the leg of the CIA, FBI, and the White House. The National Cuban-American Foundation is a typical example of the irresponsible way in which the Cubans have pulled the leg of the United States. Senator Helms was bought for $75,000. One would presume that a senator is worth a lot more. No, Helms only collected $75,000 from Miami [words indistinct] Cuban sugar tycoons, moneyed Cuban groups and that are interesting in having a legal instrument to start filing claims suits once they have an opportunity.

Helms was bought for $75,000. His partner, Representative Burton, was bought for a smaller amount. They have played with U.S. policy. One would think that the National Cuban-American Foundation gives them enormous sums. No, absolutely not; it gives them small sums. They have, thus, played with the most serious U.S. institutions. They have trampled them; turned them into play matter. That is a fact. And there is now a reaction against this. I think that the United States has realized this and they are reacting.

[Alonso] When you referred in particular to all those people [words indistinct] that Cubans have reviewed their priorities.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Ortega] I think so. I can only speak for myself. I did not start reviewing my priorities in the past two years but for the past 30 years. I have done this for the past 30 years, because I have seen how the apparatus in Miami was established since the beginning. I have always been convinced that it is a false apparatus.

Aside from the differences I have with the system; aside from all the differences I have with the revolution; aside from all this, I think that there is only one priority: Cuba, as I think [words indistinct] said, besides being an island in the geographical sense should also be an island in the political sense. That has been an aspiration of Cubans since the early times. I was reared and educated in this country and lived for 35 or 36 years convinced that Cuba should be an island in the political sense by breaking all existing taboos of its relations with the United States.

I reviewed this situation. I think that aside from anything I could think about the system, the most important thing is Cuban sovereignty. [end recording]

Envoy Addresses Deputies on U.S. Measures

AU0611171695 Bratislava National Council of the Slovak Republic Foreign Affairs Committee Handout in Slovak 3 Nov 95

[Address delivered by Dr. Juan Sanchez Monroe, charge d'affaires at the Cuban Embassy in Bratislava, to the National Council of the Slovak Republic Foreign Affairs Committee; date not given]

[FBIS Translated Text] Esteemed Mr. Chairman! Esteemed Deputies!

First of all, I would like to express my gratitude for your kind invitation to present to you some information on the situation in Cuba, its problems, and the state of and prospects for our bilateral relations.

Speaking to you is the representative of a country that cannot boast of such an ancient history as Slovakia, mainly because of the genocide committed against its original inhabitants by foreign rule. The attempt to impose on the Cubans a way of life and system that were alien to them had already brought about their annihilation once before. It took centuries until the influence of our country on the descendants of Europeans, Africans, and Asians from different regions and nations formed a new community with its own characteristic traits, interests, and culture and until the concept of being Cuban emerged once again.

To date, no one has apologized to Cuba for the crimes committed against its original inhabitants or to Cubans for the inhumanity and bestiality with which their ancestors were uprooted from their African countries. The new Cuban nation is no longer Indian. It is a result of the blending of all of the races that were somehow drawn to our country under the auspices of civilization. It evolved amidst a slave society, which was also introduced to Cuba by foreign rule. Of the 1.5 million inhabitants in the second half of the last century, more than one-third were slaves. The barrier that separated slaves from the slave owners was the same one that divided whites and blacks. It was obvious that, first of all, this inhuman barrier had to be overcome in the interest of the new community's development and consolidation. Therefore, Jose Marti, Cuba's national hero and the father of our political way of thinking, said that Cuba's problem was not political, but social. If anyone wants to look for the roots of the Cubans' dependence on the idea of social justice, he can find them in these very facts and concepts.

The search for ways to overcome the obstacles that were an impediment to the Cuban nation's development led to the formation of three streams of political thought, which — except for some changes — have been retained throughout the whole of our subsequent history. The autonomists lacked faith in the ability of their own people to govern themselves and, therefore, they looked for ways of maintaining a link with the Spanish crown; the annexationists wanted to preserve their social position by annexing themselves to the slave-owning southern United States; and third, the campaigners for independence saw the only solution in achieving complete sovereignty. In our history, the first two groups were utterly vanquished.

The original aim was not achieved by the wars conducted by this third group in the second half of the 19th century. This is partly because its main representatives perished, but primarily because of the unnecessary North American intervention in 1898, a consequence of which was also the constitutional amendment enjoining Cubans to submit all important decisions to the U.S. president for consideration and, moreover, the possession of a strategic part of our territory for U.S. naval bases.

It was clear that the complete consolidation of the new Cuban nation could not be realized under such conditions. There was a war between the political party of the whites and the political party of the blacks in 1913. Even less than 40 years ago, our black and white citizens strolled in municipal parks in the paths reserved for them. There were schools, bars, and neighborhoods to which people of my color had no access.

The integrative progress that has undoubtedly been achieved in recent years in Cuba — which is also confirmed by a survey conducted last December by the independent Gallup institution — is one of the obvious

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

results of the application of the idea of social justice as we understand it. This has meant the final consolidation of the Cuban community. This nation's strength of will to carry on living according to its own, and not foreign, laws — respecting the systems of others, but, at the same time, demanding that its own be respected — stems from this.

Of course, the Cuban system is not perfect, not only because no human achievement is perfect, but also because no human society that evolves under such abnormal circumstances as ours can be perfect.

Cuba has been living under constant military threats without any guarantees for its security for 35 years. More than 60 percent of Cubans were born, grew up, and developed under an inhuman economic blockade that violates the most basic human rights. If something should be taken into consideration, then it is the fact that here we are talking about a nation that has been armed and trained for 35 years and that foreign ambition cannot be foisted on such a nation.

I repeat, the Cuban system is not perfect, but Cubans gave life to it themselves in a war that cost them 20,000 dead and many other casualties in supporting it. Their constitution was adopted freely in a referendum, by a direct and secret ballot without further amendments and any duress. The state's representatives, nominated by the people themselves, were also elected similarly directly and publicly by secret ballot. In the history of the Cuban Republic, Fidel Castro is the second president not to be installed by the U.S. Embassy in Havana and is the first that the United States has been unable to remove. For these reasons, the U.S. secret and special services have been in veritable pursuit of him for 35 years as if he were a wild animal.

They somehow do not want to take into consideration the will of the Cubans, because this is the only way to justify the aggression against this nation. Otherwise, they would have to admit the truth — and the truth is that the real Cuban problem is neither political nor ideological; it is geopolitical. Its real causes are not in the revolution that triumphed in 1959, but in the declaration of the Monroe Doctrine in 1823. However, the situation of the Cuban nation is no longer the same as it was in the middle of the last century and at the beginning of this one. Today, it is sufficiently resolute to be able to perfect its system, incorporate itself — at the same time — into the international integrative processes throughout the world, and enrich it with its specific features and the experiences acquired by a mature individual.

Cuba is a state with its own identity. As Marti taught us: "Cuba does not go around the world in the role of a beggar." The world accepts, recognizes, and respects it. Cuba plays an active and constructive role in the majority of bodies within the UN system, in the Non-Aligned Movement, in the Latin American integrative process, which has been evolving since the Summit of Ibero-American States, in the Latin American economic system, and in the common Caribbean- Central American market.

It has forged diplomatic relations with more than 150 countries and has concluded around 90 official economic-trade agreements at a senior level. Cuba is not a threat to peace and global security and, therefore, the blockade has not managed to drive it into isolation. Quite the reverse. It is becoming clearer every day that this is a question of aggression against a small state accompanied by all of the unjustifiable imperialist and expansionist traits.

The U.S. blockade against Cuba was introduced by Order 3447 signed by John F. Kennedy on 6 February 1962 [as published] and was based on the agreements adopted at the eighth regular meeting of the OAS foreign ministers. The order referred to the Marxist-Leninist orientation of the Cuban Government, which was incompatible with the inter-American system, and also to Cuba's affiliation to Sino-Soviet subversion that, allegedly, threatened not only U.S. security, but also that of the entire western hemisphere.

At the time this order was approved, the aforementioned arguments could have been convincing to many people — but time has eliminated them gradually one after the other. The so-called Sino-Soviet bloc collapsed in the first half of the 1960's. The OAS recognized the validity of ideological pluralism in 1975 and adopted a resolution based on which the member states were able freely to forge ties with Cuba in accordance with their own interests and judgment. In 1991, the Soviet Union and the so-called European socialist community also collapsed.

So, the blockade persisted without the original arguments. Its propagators, buoyed by their victory in the Cold War, were convinced that Cuba would not be able to hold out for long and that it would be enough just to toughen the measures against it.

At the end of 1991, the U.S. Treasury Department cut the quota that both U.S. citizens and Cuban citizens living in the United States could pay the Cuban Government for the passage of Cuban citizens for the purpose of uniting families. Measures were adopted in April 1992 that restricted the entry of cargo and passenger ships into North American ports if they were sailing to or from Cuba.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

They forgot that Cuban reality is not a consequence of the Cold War and has nothing in common with the post-war European division or the Yalta and Potsdam Agreements.

This mistake in their calculations forced them to search hastily for new pretexts to maintain their aggressive policy against Cuba. So, next came the accusation that the Cuban Government is not thorough enough in observing human rights and democratic values and that it disagrees with having an observer foisted on it from the Commission for Human Rights in Geneva. This was the manner in which they sought to justify to U.S. and global public opinion their animosity toward a small state that presents no threat to either world peace or the security of any other state. These pretexts served as the basis for the so-called Law on Cuban Democracy adopted at the end of 1992. It is known as the Torriceli Law and not only interferes openly in the domestic affairs of our state, but, moreover, gives the U.S. Administration the right to dictate politically to countries that decide to maintain normal relations with the Cuban Republic. The law empowers the U.S. President to exhort the governments of third countries to curb their commercial and financial relations with Cuba. The only form of trade that the United States permits is direct payment in cash at the prices paid on the international market.

The provision of government advantages, guarantees, insurance for exported goods, concessions, most-favored-nation status, credits, support, advantageous tariffs, and the other normal practices of international economic-trade relations were to be penalized by the United States.

This law introduced, among other things, sanctions against North American companies whose subsidiaries in third countries trade with Cuba and tightened the sanctions against foreign vessels conveying goods or passengers to our country.

The introductory part of the law contains a direct appeal to the states of the former European socialist bloc to join the U.S. anti-Cuban policy and threatens them with the possibility that sanctions may be imposed against them if it is violated.

The law violates the principle of state sovereignty, Resolution 2625 XXV adopted by the UN General Assembly in October 1970, which relates to the sovereign equality of states, to the free decision-making of individual nations, and to the obligation of all countries not to interfere in the internal affairs of other states. It also does not take into consideration the Charter on the Economic Rights and Obligations of Individual States adopted by the United Nations in December 1974, which establishes the right of each state to conduct international trade and various other forms of economic cooperation regardless of political, economic, or social distinctions. The first article of the aforementioned Charter declares the sovereign and individual right of each state to choose its own politico-economic system and social and cultural policy without interference, coercion, or threats on the part of another state.

The law for democracy in Cuba, regardless of its openly illegal nature, was adopted by the U.S. Congress amidst general protest from its allies and deliberate silence from some and silence — perhaps out of ignorance — from others.

The start of its validity was marked by a pronounced toughening of the conditions under which the Cuban process is taking place. To the $40 billion that the U.S. blockade had cost Cuba was added a distinct rise in the costs of transportation and damage to the trade turnover amounting to almost $700 million between Cuba and the subsidiaries of North American companies in third countries. It is also necessary to include in this the apprehension of some timorous countries to conduct trade with Cuba in case they incurred the enmity of our powerful northern neighbor. None of the consequences of this law humbled Cuba.

The internal changes taking place in our country began to bear fruit as early as 1994. The gross domestic product — which had declined by 35 percent from 1989 to 1993 — recorded a slight, but encouraging increase of 0.7 percent. We managed to reduce the surplus money in circulation by 20 percent and the budget deficit, which amounted to 5.0 billion pesos in 1993 — 33 percent of GDP — was reduced by $1.4 billion, that is, to a more acceptable level of 7.7 percent of GDP. Last year, 15 of the 20 non-sugar industry economic branches recorded a considerable improvement and the amount of foreign capital invested in Cuba reached $1.5 billion. Despite the material constraints, Cuba has managed to remain in the lead of the Third World countries as far as quality of life indicators are concerned. The average age of Cubans in 1994 was 75 years and the infant mortality rate is less than 10 per 1,000 live births.

Cuba's firm resolve to persevere is now the real reason for the creation of a new device intended to humble us. A new draft law — called the Helms-Burton law after its authors — started to circulate among North American legislators in March this year. The former is the chairman of the Senate Foreign Affairs Committee and the latter is the chairman of the House of Representatives Foreign Affairs Committee. The aim of the document is to toughen the already existing measures: To internationalize the blockade against Cuba

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and to make the living conditions within the country harder in an attempt to achieve a social explosion that would serve as the pretext for a direct intervention.

The possibility of direct aggression is not a Cuban fabrication. There was a report in the Slovak press recently that the dispatch of U.S. troops to Cuba in the event of a rebellion to overthrow President Fidel Castro is one of 10 options contained in a recent public opinion poll conducted in the United States.

Among the measures the new draft takes into consideration is also a ban on the import of sugar, syrups, and molasses from states that imported these products from Cuba. It affects the enterprises of second countries that invested in the nationalized property that had previously belonged to U.S. citizens. It does not allow the issuing of U.S. entry visas to the shareholders and managements of those foreign firms that have business contacts with Cuban state enterprises; it threatens to use sanctions against the international financial institutions cooperating with Cuba; and it contains measures against Russia to ensure that it does not utilize the radioelectronic station in Lourdes that serves to oversee the fulfillment of the agreements on strategic disarmament. It authorizes the United States to make sure that North American courts deal with lawsuits against other states. These measures do not only violate international norms and laws — such as the principle of each state's sovereignty in matters concerning property and persons within its borders — but also the repeated UN General Assembly resolutions against the blockade and the SOO [expansion unknown] instruction. Moreover, it violates the United States' own laws, for example, the International Claims Settlement Act.

From a legal point of view, perhaps the most manifest nonsense is the introduction of retroactive legal norms in the case of Cubans whose property was nationalized and who later obtained U.S. citizenship. Maybe it will be of interest to you that a similar draft was put forward in the U.S. Congress in 1981 concerning nationalized property belonging in the years 1945-48 to Czechoslovak nationals and that, at that time, the State Department argued that the United States could not authorize claims against foreign governments for wrongs against people who were not U.S. citizens when the nationalization act was executed. Otherwise, the matter would extend beyond this specific issue. We should not only view the motives that led legislators Helms and Burton to the assumption that such a violation of the rules is now possible as their personal approach to Cuba. It would take too long to enumerate here all of the negative consequences that the adoption of the aforementioned law would bring both for Cuba and its relations with the United States and for its relations with other countries. The most likely thing is that its consequences will be reflected in the rhythm and depth of the political and economic changes taking place in our country. Certainly, the social securities achieved in the last three decades will be placed at risk to an even greater extent. Its negative consequences will also affect the talks that we are holding with representatives of North American firms on resolving the discrepancies that arose in the nationalization of their property in Cuba. President Clinton has said that this law is unnecessary and Secretary of State Christopher considers it to be counter to U.S. interests. We, however, are not under any illusions. It is true that the current Administration manifested realism in its blind blockade policy when it signed a migration agreement with Cuba that, for the first time, does not discriminate against our country, but it is also true that the political forces promoting the draft law are counting on the Congressional majority and are deaf to the comments being made by the U.S. Administration. The struggle between Congress and the Administration is tending, by virtue of its weight, toward the approval of this illegal draft.

For these reasons, the EU, the Non-Aligned Movement, the Rio Group Conference of Ministers, the Caricom ministers, the European Parliament, the Latin American Parliament, governments, parliaments, and political parties from a great many states have told the U.S. Congress that they will not subordinate themselves to the extraterritorial repercussions of the aforementioned law, which runs counter to the interests of their sovereignty, and have appealed to it to abandon such intentions.

The question here is not about defending Cuba, which knows how to defend itself. It is about defending the norms and principles of international law, the state sovereignty of each nation, and civilized coexistence between peoples.

The unilateral measures adopted by the United States against Cuba and those that it still intends to adopt will also — in various forms — encroach upon Slovak-Cuban relations and interests. The false argument that Cuba represents a danger to U.S. security and the threat that all those who have normal relations with it may be penalized places permanent psychological pressure on those who want to cooperate with Cuba. The upshot of the manipulated presentation of the historical inconsistencies between Cuba and the United States, as if the issue involved an ideological problem, is that nobly thinking people are discouraged from forging contacts with us. The existence of the blockade creates concrete obstacles for the proper development of trading relations. In 1993, the Cuban company Maprinter purchased anthracite from Kerametal. To

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

make sure that it was not seized by the United States, it was agreed that the ship carrying the cargo could not anchor in U.S. ports. The representative of the company that loaded the cargo in Vietnam did not bear this in mind, the result of which was that the cargo had to be unloaded on a Caribbean island and conveyed from there to Cuba, which meant, of course, that the consignment was considerably over priced. Apart from this, the anthracite arrived in Cuba after the deadline agreed upon, which caused losses for the nickel producer and, moreover, Kerametal paid a penalty for not keeping to the deadline.

More than a year ago, Cuba began to form an international group with the representation of France, Russia, Germany, and Brazil to complete our nuclear power plant in Jaragua. Slovakia has a virtually complete project for the simulator for this facility. Both the Slovak and Cuban experts thought it would be advantageous if Slovakia were to join the aforementioned group, but, before expressing its agreement, the Slovak Foreign Ministry went to the U.S. Embassy in Bratislava for advice. This was not recommended.

Talks have taken place recently between our countries on the possibilities for establishing a joint enterprise to produce and refine sugar. It goes without saying that the draft Helms law is a direct threat to this project.

I have taken the liberty of giving you some examples and I could give many more of them, because the interests of Slovak imports from Cuba are oriented mainly toward its natural wealth, but almost all of the mines were nationalized at one time.

Our attitude toward Slovakia was always founded not only on respect, but also on a certain affinity. We are one of the few countries that had an official representative office in Bratislava 25 years ago. We were among the first to recognize your sovereignty and to open an embassy here. When the Slovak branch of Amnesty International expressed its alarm concerning a Cuban prisoner, I acceded to a meeting with it only because Slovak citizens were involved. We do not communicate with Amnesty International. The Cuban authorities were so responsive that they released the prisoner. The gentlemen from the PEN Club came to me with a similar problem at the end of last year. They were given a hearing for the same reasons and the person under their patronage was released.

As we are aware of all of these facts, the only explanation that remains in considering why Slovakia abstained in the UN Resolution vote against the blockade and why it is participating so actively in the development of projects condemning Cuba for allegedly violating human rights is the presence of U.S. pressure. And, moreover, as I know it personally and thanks to my various contacts with numerous circles among the local population and with virtually all of the political parties — coalition, opposition, and non-parliamentary — I can declare that there is no political force or ideological stream in this state that would support the blockade and the hostile attitudes toward Cuba or would interfere in its internal affairs. Apart from the hostile policy of the United States, I see no other objective reason that would make impossible the development of our relations established on the principles of mutual respect and bilateral advantages.

Cuba has declared — and I am repeating here today on its behalf — that it is willing to go as far in cooperation with Slovakia as the sovereign interests of our two countries require.

Thank you for your attention.

Politburo Members Review Problems in Pinar del Rio

PA0911043195 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 4 Nov 95

[From the "NTV" newscast]

[FBIS Translated Text] The members of the Politburo have paid a visit to Pinar del Rio to discuss topics of great interest for the province's residents.

Politburo member Jose Ramon Machado Ventura informed during the first day of meetings about the main problems detected during the visit to 10 of the 14 municipalities of Pinar del Rio. The party leader said the torrential rains that fell during Tropical Storm Opal added to the already existing difficulties in the province.

This has adversely affected the province's agricultural plans and the planting of tobacco and sugarcane. It was also learned that Pinar del Rio residents did not wait for the end of the session to adopt the recommendations that were made and immediately implemented a plan of action to correct the deficiencies.

The work of previous months in the preparation of the land and the stockpiling of tobacco seedlings was destroyed by the rains and the population had to be called upon to put things back in order several times. There are currently some 2,000 caballerias of land already plowed and some 425 others are being readied. Great work is being done to get workers to plow 75 more caballerias to complete the 2,500 caballerias proposed by the commander in chief during his last visit to the province. Animal plows and machinery provided by the central government and the Agriculture Ministry are used for these duties.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Carlos Lage, vice president of the Council of State, and other Politburo members agreed on the importance of yields per area and said the province's criteria was inadmissible because the supplies that were provided, which even involved foreign financing, should lead to greater yields than the ones that were proposed.

When reviewing the food situation, participates said individual peasants can produce greater volumes that could help resolve the existing situation in the province.

In this regard, (Lugo Fonte), president of the ANAP [National Association of Small Farmers], said only 314 small farmers with possibilities of producing one of several thousands quintals could produce 1 million [not further specified] per year. The agriculture minister said the province has enough lands to increase the planting of vegetables without adversely affecting other areas.

Division General Ulises Rosales del Toro noted the not-very-critical participation of the leaders of the cattle sector because there are numerous deficiencies that cannot be justified by the scarcity of resources or by the excessive rains such as indiscipline, poor management of the herd, marabou invasions in hundreds of caballerias, the increasing number of cattle theft and slaughters, and the theft of milk, among other problems.

As for the fishing industry, there is a 300-metric-ton delay in the lobster plan, a vital sector in the country's exports. Residents of Pinar del Rio hope to catch up in the final months of the year.

Sugar Industry Minister Nelson Torres called for a greater effort in the upcoming harvest, which will help the country increase its yield.

The sugarcane deficit, he said, can be fixed if industrial yield is increased by more than 2 percent over the poor 9.28-percent yield of the last harvest.

Participants also talked about the public health situation, especially sanitary conditions and infant mortality, which is 10.6 for every 1,000 children born alive, is a bit higher than the national average. A program that includes a change of cadre attitude, which added to the state's assistance, could help improve the health situation in the territory. The first secretary of the party in the province spoke several times. She called upon the cadres to show more dedication to work in Pinar del Rio.

Foreign Minister on Human Rights Conference

PA0811230595 Havana PRENSA LATINA in Spanish 1913 GMT 7 Nov 95

[By Alejandro Gomez]

[FBIS Translated Text] Havana, 7 Nov (PL) — Cuba strongly believes that there is not just one concept of democracy in the world, just as no one can put a label on someone who does not allow himself to be termed an offender, Foreign Relations Minister Roberto Robaina said here today.

At the opening of the first international conference on the protection of citizens' rights, Robaina said that the island has a lot to demonstrate because it is one of the countries that has advanced most in fulfilling the human rights goals: Civic, political, social, cultural, and economic rights.

He stated that the Human Rights Commission, the International Committee of the Red Cross, the France Liberte Foundation, the International Human Rights Federation, America's Watch, and even Amnesty International can vouch for this. These organizations have, on different occasions, visited the island "at sovereign invitations of our country," he continued.

"However, Cuba, like very few countries, has contributed with doctors, teachers, engineers, and specialists, and even with the blood of its best children, so that other peoples around the world can freely exercise their human rights," the Cuban foreign minister stressed.

Nevertheless, he indicated, as a society consisting of human beings, we are not free from some occasional isolated violations, but we have the instruments and institutions to bring them under control and provide follow-up.

He added that there is enough evidence on how the Attorney General's Office and the Cuban parliament deal with complaints from citizens of the island.

Robaina stressed the need to make a difference between those isolated cases and the "petty label of flagrant and massive offenders they have tried to give us and which we deny and will deny in a definitive and categorical manner."

He remarked that no country allows the existence of organized groups that may endanger the existing democratic system, much less if this system has been established on the basis of a consensus such as very few peoples of the world have known.

The foreign minister reiterated that "in Cuba it is not possible to wage a counterrevolution legally," especially

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

if credentials are obtained at the U.S. Interest Section office or a foreign embassy in Havana.

The foreign minister recalled that every year the island observes the sordid concern with which the United States promotes at the United Nations the discussion of human rights in Cuba.

"Given its foul and unbelievable, fraudulent, vengeful, and totalitarian nature, that practice is already showing what blacksmiths refer to as metal fatigue [fatiga del metal]," he said in reference to the U.S. campaign.

In this regard, he denounced the failure of Washington's genocidal policy, which for over 30 years, he remembered, has been aimed at disrupting political, economic, and social order in Cuba.

"It would be desirable that the same zeal with which some oversee the enforcement of isolated rights be in keeping with the spirit of the Universal Declaration, to oversee in the first place the universality, indivisibility, independence, and interrelationship of all human rights," Robaina added.

The conference, which will extend until 10 November and will include roundtable meetings and discussions, gathers approximately 320 delegates from 25 nations and is sponsored by the Attorney General's Office, the Ministries of Justice and Foreign Relations, and the Union of Jurists of Cuba.

Admits 'Isolated' Rights Violations

PA0911002395 Mexico City NOTIMEX in Spanish 0008 GMT 8 Nov 95

[FBIS Translated Excerpt] Havana, 7 Nov (NOTIMEX) Foreign Minister Roberto Robaina admitted today that there are "isolated cases" of human rights violations in his country but denied that flagrant and mass abuses are committed.

"We have to mark a difference between those isolated cases and the banner of flagrant and mass violators that they have tried to pin on us. We have and will continue to deny this in an emphatic and categorical manner," Robaina asserted.

The foreign minister talked at the inauguration of the International Legal Protection of Citizen Rights Meeting [Encuentro Internacional sobre Proteccion Juridica de los Derechos Ciudadanos] that is gathering in Havana this week. The event will be attended by experts from more than 15 countries. [passage omitted]

Robaina denied that his government represses those who think "different" from it. He added that "dissent is not punished. However, actions carried out by those people and others, that go against the laws of the country, will be, as in any society, subject to sanctions.

"No country in the world can allow political discrepancies to be used as an instrument or an excuse to violate the law," Robaina stressed.

He said there are political dissenters in Cuba who take advantage "of the logical discomfort caused by the current economic crisis to unite with criminals, who exist in any society, especially during periods of instability, to carry out illegal actions."

"Many of the alleged dissenter attitudes are linked to economic difficulties and administrative problems and have no political backing whatsoever," the Cuban foreign minister stressed.

Robaina implied that the opposition activists act in agreement with the United States. "It is impossible to make a counterrevolution in Cuba legally and, much less, when the credentials to do so are obtained in the offices of our main enemy," he said.

"You can verify the freedom with which some of those, who appear as poor persecuted people, move and talk and how they collect wages to work against Cuba," Robaina emphasized to the experts who will debate the situation of citizen rights in the world.

Havana South Water Mains Suffer 'Serious' Damage

PA0611170695 Havana Cuba Vision Networks in Spanish 0100 GMT 4 Nov 95

[From the "NTV" newscast]

[FBIS Translated Text] [Unidentified reporter] The people were informed in previous newscasts about the serious rupture to the south water mains that supply the city of Havana. We are with Chief Engineer Santiago Simon. Can you give us more details on this breakage?

[Simon] Of course. The breakage is serious; it is serious. It took place at 1600 yesterday in the 38-inch pipe, at the outlet of the south reservoir wells, which has 17 units. This is the city's most important supply in volume as it pumps 3.3 cubic meters a second of the 15 cubic meters a second that are pumped every day. We have been working on this since yesterday and we expect to complete repairs between 2000 and 2200 in order to begin reestablishing the service bit by bit according to the areas that are scheduled to receive water. Today, if we complete work between 2200 or 2400, water will be reestablished between 0100 and 0200 [words indistinct].

[Reporter] Can we tell the people that the water service will be reestablished by tomorrow?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Simon] We plan to reestablish the service by 0600 tomorrow to all areas that have been affected since 1600 yesterday .

Roundup of Economic Developments Through 7 Nov

PA0811023695

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Cuba monitored through 7 November.

About 200 businessmen from 27 countries attended the third roundtable organized by the British magazine THE ECONOMIST in Cuba. State Council Vice President Carlos Lage addressed the businessmen at this meeting and reported that Cuba's GDP experienced a 2.3-percent overall growth during the first nine months in 1995, and a 7-percent growth if one excludes the sugar sector. (Havana Radio Rebelde Network in Spanish 1800 GMT 27 Oct 95)

At the Nelson Fernandez tire factory in San Jose de las Lajas, workers are working overtime to meet the demand for the upcoming sugarcane harvest. Current production exceeds estimates by 1,300 tires. This means 40 to 60 percent savings in foreign exchange. (Havana Cuba Vision Network in Spanish 0100 GMT 28 Oct 95)

In Cienfuegos, four sugar combines that have been used for over 10 years are being modified to extend their useful life, to improve productivity, and to reduce the number of repairs. Five sugar combines will be modified in November. The Sugar Industry Ministry's goal is to modify 20 sugar combines annually. (Havana Cuba Vision Network in Spanish 0100 GMT 28 Oct 95)

The Che Guevara nickel factory in Moa has achieved a record production this year. This factory no longer needs subsidies since it can contribute profits to the country's economy. Some reasons are better conditions for workers and the modernization of the factory. Projections include an increase of more than 5,000 metric tons of nickel for 1996. (Havana Cuba Vision Network in Spanish 0100 GMT 28 Oct 95)

Between January and September 1995, Cuba produced about 171,000 bicycles, an increase of almost 24,000 in comparison with the same period last year. (Havana Radio Rebelde Network in Spanish 1255 GMT 30 Oct 95)

Cuba plans to complete the construction of 50,000 homes in 1996, basically in mountain and faraway regions included in the Turquino Program. The island's construction material industry will produce 75,000 metric tons of cement. (Havana Radio Havana Cuba in Spanish 0000 GMT 1 Nov 95)

According to a Cayo Largo del Sur, Cuba, 1 November-datelined item, Division General Rogelio Acevedo, president of the Cuban Civil Aeronautics Institute, IACC, announced that this institute this year will generate profits of $17 million. By the end of October, IACC already had profits of $14.1 million, and the number of national passengers has increased, General Acevedo reported as he toured the air terminal being built in this tourist center. (Havana PRENSA LATINA in Spanish 0209 GMT 2 Nov 95)

According to a Havana, 2 November-datelined item, distinguished Cuban economists reported today that approximately one million persons are working in the nonstate sector of the economy, which includes the self-employed and employees of joint enterprises, foreign companies, and agricultural cooperatives. Osvaldo Martinez, president of Parliament's Economic Commission and director of the World Economy Research Center said that the Cuban economy is continuing on the path of reactivation. (Havana PRENSA LATINA in Spanish 2112 GMT 2 Nov 95)

In West Matanzas Province there is a new hospital under construction, which when completed will have 624 beds as well as modern equipment. Some wards will be operational by December of this year and its cost will be $63 million. It will be called Faustino Perez in honor of a heroe from that province. (Havana Radio Rebelde Network in Spanish 1800 GMT 1 Nov 95)

Cuba and Venezuela have signed an agreement that will go into effect in November and that calls for expanding the number of products listed in preferential tariffs to approximately 200. The secretary of the Association of Caribbean States said that the idea is to work on the tourism, transportation, and other priority sectors. (Havana Cuba Vision Network in Spanish 0100 GMT 2 Nov 95)

The Spanish firm (Bonbar) and Cubametals have signed a $5 million agreement by which the Cuban enterprise will acquire metal plates for Cuba's sugar industry. A spokesman for the Spanish firm said this means a moderate credit opening. (Havana Cuba Vision Network in Spanish 0100 GMT 2 Nov 95)

Dominican Republic

Cuban Airline Pilot Requests Asylum, Abandons Airplane

PA0811164495 Madrid EFE in Spanish 1552 GMT 8 Nov 95

[FBIS Translated Text] Santo Domingo, 8 Nov (EFE) — A Cubana de Aviacion pilot today requested political

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

asylum from the Dominican Government after abandoning the airplane in which he arrived last night in Santo Domingo.

Sergio Antonio Gomez told Dominican immigration authorities that he needed to leave Cuba because the government of Fidel Castro is harassing him.

Dominican immigration and foreign relations authorities are studying Gomez' situation today but only grant permission to stay in the country for "humanitarian reasons" while the person requesting asylum can manage to go to another country, which is almost always the United States.

The official entry of Cubans from their country to the Dominican Republic was suspended at the end of 1993 when illegal trafficking to U.S. territory was discovered.

Haiti

President Condemns Attack on Lavalas Deputies

PA0811201095 Port-au-Prince Signal FM Radio in French 1130 GMT 8 Nov 95

[From the "Waking Up" newscast]

[FBIS Translated Text] President Jean-Bertrand Aristide has condemned the attack on two legislators that took place on 7 November. The head of state expressed his indignation over the attack on the two lavalassian deputies. President Aristide reaffirmed his commitment to maintaining peace throughout the country. Aristide was firm in warning that he will not sit on the sidelines and watch as Haitian hearts are broken:

[Begin Aristide recording, in Creole] Deputy Jean-Hubert Feuille's blood has been shed. He is dead. They assassinated him just like they assassinated Father Jean-Marie Vincent. He died in the same way that others have died. Do they want to intimidate the legislators? Do they want to prevent the legislators from exercising their constitutional rights? I call on those legislators who are mourning as (?deeply) as I not only to be courageous but also to hang on. [end recording]

Police Arrest Former Colonel, Question Avril's Relatives

PA0811195395 Port-au-Prince Radio Metropole in French 1145 GMT 8 Nov 95

[From "The Morning" newscast]

[FBIS Translated Excerpt] Topping the news: Former Colonel Christophe Dardompre was arrested and two of former President Prosper Avril's relatives were interrogated last night.

Dardompre's wife has confirmed his arrest, reporting that policemen broke into their home at midnight without a justice of the peace on hand to make the arrest. She has condemned the arrest and called for her husband's release:

[Begin Dardompre recording, in Creole] The national police arrested him. They knocked down our gate, entered our home, handcuffed my husband, and took him away in a car at 0030. They broke...[pauses] They broke everything in our room and our children's room. They pressured the maids [words indistinct] then took his hunting rifle and (?Taurus). He asked Major Dany Toussaint for permission to wear that weapon. Then [words indistinct] that were not in service and some ammunition. They left our home at 0130 last night. They took his passport, his car, his military identification card, and some other things that I cannot find. [passage omitted]

They turned the house upside down. I still do not know why he was arrested. [end recording]

Avril Takes Refuge in Consulate

PA0811232895 Port-au-Prince Signal FM Radio in Creole 1900 GMT 8 Nov 95

[From the "Haiti Today" newscast]

[FBIS Translated Text] Former Colonel Christophe Dardompre and Prosper Avril's son-in-law have been arrested within the scope of the search operations the Haitian policemen carried out in the homes of these two former military men. Various police patrols were in the streets of Port-au-Prince last night in order to discover a series of hiding places of weapons used in acts of violence in the Haitian capital. In the raid the policemen arrested Dardompre. However, they made another raid in the home of Prosper Avril who had time to escape. They did not catch him. Avril has escaped and has taken refuge at the Colombian Consulate. [Madrid EFE in Spanish at 2257 GMT on 8 November carries a 250-word item datelined Port-au-Prince, stating: "The Haitian Police had reportedly tried to arrest Avril Tuesday evening, after Deputy Jean-Hubert Feuille, a former bodyguard of President Jean-Bertrand Aristide, was killed and lawmaker Fortune Jean-Gabriel was seriously wounded."]

A policeman who participated in the operation explained that there were people who shot at the patrol from the home of Prosper Avril, which caused them to arrest a son-in-law of the former president. He had an automatic gun without a permit, according to the statements of the policemen.

However, the policeman explained that he called the daughter of Avril so he could ask her some questions. The policeman said he found one Uzi, one 32-gun

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

encircled with gold, a gun which almost does not exist any longer even in the United States with a special automatic silencer, one M-14, and a hunting rifle. That is what they found in the home of Avril at the moment of this operation. The policeman explained that they found many other clips for all kinds of automatic weapons. However, despite an extensive search, they did not find the weapons.

Avril's son-in-law is Paul Henri Cineas, son of Jean-Claude Cineas. He was arrested at the moment of this operation. He is being held in the Delmas 33 barracks, according to the information coming from various sources and confirmed by his father. Jean-Claude Cineas, who is a former Haitian diplomat, has stated that his son has a permit for the weapon the policemen seized and that this permit had the signature of Major Dany Toussaint.

So, according to Cineas, the policemen did arrest his son, Prosper Avril's son-in-law. He added that his son, Jean-Claude Cineas, does not live in the same house as Prosper Avril.

People's Organizations React to Attack on Deputies

PA0911002095 Port-au-Prince Signal Fm Radio in Creole 1900 GMT 8 Nov 95

[From the "Haiti Today" newscast]

[FBIS Translated Text] We will point out that as regards these dishonest actions, there have been reactions in the province. The population of Les Cayes demonstrated in order to show their indignation against the dishonest actions committed on the deputies of Port-Salut and Les Cayes. Tires were being burned and barricades were set as early as last night on the boulevard of the Quatre Chemins port in Les Cayes where the people have declared that the country must be blocked because the foreigners' presence is useless in the country. The population of Les Cayes is calling for all departments to show solidarity with them in order to stop the lawbreakers in the country because they do not want democracy to move forward. The demonstrators in Les Cayes make the reconciliation policy responsible for this situation because there are many macoutes — according to them — who have not been disarmed. This is the protest which was launched by the demonstrators.

Similarly, several people's organizations have expressed their indignation. The 27 Popular Movement, MP-27, and several other organizations have denounced this blow to the people by the enemies of democracy. The bloodthirsty people must be tried; President Aristide must raise his head in front of these actions. These are the statements of the people's organizations in Cap-Haitien, MP-27 and some others that have protested this assassination.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

President To Promote Investments, Regional Unity at APEC

PA0811222695 Mexico City NOTIMEX in Spanish 2050 GMT 7 Nov 95

[By Gina Sandoval]

[FBIS Translated Text] Tokyo, 7 Nov (NOTIMEX) — President Ernesto Zedillo will attend the (?coming meeting) of presidents of the Asia-Pacific Economic Cooperation (APEC) Forum with the goal of achieving regional unity and promoting investments.

"The Mexican president will promote our country's image as a bridge to unite Asia, Africa, and Europe during his visit to the city of Osaka next week," Mexican Ambassador to Japan Manuel Uribe Castaneda told NOTIMEX today.

Osaka, Japan's second leading city located 450 km west of Tokyo, will host the informal APEC summit, which is slated from 16 to 18 November.

Uribe Castaneda said that President Zedillo will be accompanied by Foreign Secretary Jose Angel Gurria; Commerce Secretary Herminio Blanco; as well as other ranking officials and more than 40 Mexican reporters.

"The central topic of the APEC summit will be the way to activate the agreement of Bogor, Indonesia, signed in November 1994. This agreement is based on three tenets: Comprehensiveness, transferability, and equity," the ambassador indicated.

According to the Bogor Agreement, the commercial opening in the Asia-Pacific region should be achieved by the year 2020.

APEC members include Australia, Brunei, Canada, South Korea, Chile, China, the United States, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, and Thailand.

"Mexico is in fact one of the most advanced countries in the world regarding economic liberalization. To us, fulfilling the Bogor Agreement is a relatively simple task," the Mexican diplomat added.

Uribe Castaneda, who visited Osaka last week to review the preparations of President Zedillo's visit, stressed that Mexico is more advanced than the countries of the Asia-Pacific region with regard to fulfilling the goals of the Uruguay Round.

"We are very interested in equity so that the concessions that Mexico has made be reciprocated in a similar manner, and that concessions by other countries are not merely symbolic," he emphasized.

"President Zedillo will meet with a group of chiefs of state in individual meetings, and he also has the greatest interest in meeting with Japanese Prime Minister Tomiichi Murayama," the diplomat added.

He pointed out that the Osaka summit will allow them to stress the significance of APEC as a mechanism that is part of a global liberalization effort that includes the European Union (EU) and the North American Free Trade Agreement (NAFTA).

"We must look at this liberalization process as a [words indistinct] of the WTO," he indicated.

"We believe it is important that in the same manner that Japan does not see APEC as a bloc, they do not see NAFTA as a bloc either, but as efforts that lead to the same goal, which is the liberalization of trade," he remarked.

Uribe Castaneda noted that the liberalization must be accompanied by deregulation. "I say this because there are measures (regulatory) that work as trade restrictions, even if they reduce tariffs," he explained.

"We will seek for APEC countries to reach the level of liberalization and deregulation that Mexico [words indistinct] APEC's future will be more positive if there are investments, in addition to liberalization and deregulation," he emphasized.

"An analysis of the article on investments will follow the APEC summit; this will not be done to prepare a law for investments, but rather to promote them in our country," Uribe Castaneda said.

To this effect, he remarked that today's world is different from the one that existed when GATT was drafted at the Havana Conference, held in 1944.

"We live in a world that is characterized by horizontal integration and the era of computers. Thus, trade opportunities are framed in a different world," he said.

"We want to make APEC realize that Mexico's negotiations with the EU represent great advantages with regard to positioning for companies in this part of the world, be they Japanese, Thai, or Korean," he noted.

To this effect, he explained that Mexico is located in the center of the world purchasing power, since it has Asia to the west; the United States and Canada to the north; South America to the south; and the EU to the east.

"Investment is a vehicle to increase trade and APEC's investment is of the utmost importance to us, since we have made much progress with regard to liberalization and deregulation. Tapping this opportunity is APEC's leading objective," he added.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

He pointed out that the investments can improve the standards of living, the transfer of technology, and the creation of jobs when they are geared toward the export sector, since this implies larger markets and scales of production.

"Investment releases the energy of creativity and the initiative of a country's private sector," Uribe Castaneda maintained.

When questioned as to Mexico's position on the existing differences among APEC members regarding whether comprehensiveness clauses should be included in the agenda of the forum, Uribe Castaneda said that "each country has its sensitive areas."

South Korea, China, and Japan are seeking to exclude agricultural trade from the agenda, which the United States and some other APEC nations oppose.

The three Asian countries are concerned that if the agricultural sector is not excluded it could affect producers, especially the rice producers.

No definite agreement has been reached to date, and it is believed that the issue will discussed in the ministers' round of talks, which will take place before the informal summit of APEC's leaders next week in Osaka.

"APEC is a good will effort, and Mexico will not try to force an agreement or any coercive mechanisms. There are many issues to be addressed, such as mechanism for promoting investments, instead of starting arguments and discussing sensitive issues," Uribe Castaneda added.

"I am not saying that the United States and Canada are not correct in their demands. They are seeking to open trade, but the principle of comprehensiveness is subject to progress in many areas in each country," the ambassador explained.

"The principle of comprehensiveness is good, but it should be achieved over a period of time," the Mexican diplomat concluded.

President Meets With Canadian Industry Minister

PA0911005395 Mexico City XEW Television Network in Spanish 0400 GMT 7 Nov 95

[From the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo today received Canadian Industry Minister John Manley and a group of Canadian businessmen in Los Pinos. President Zedillo explained to them the prospects for Mexico's economic development and the possibilities for investment.

The delegation includes more than 30 businessmen and industrialists from various sectors of the Canadian economy headed by industrialist Michael Wilson. Some of the areas represented are: Factories producing equipment for environmental protection, electronics, airlines, paper manufacturing, sealing machines, computers, food industry, pharmaceutical products, automobile industry, steel, kits, services to increase production, among others.

Canadian Industry Minister John Manley said that despite the instability of Mexican financial markets of the past two weeks, there is confidence in Mexico's economic future.

In an exclusive interview for Televisa ECO, Manley said that those who think that the NAFTA, signed by Mexico, the United States and Canada was stillborn are mistaken. He added that under no circumstances should NAFTA be renegotiated.

[Begin Manley recording, in English with passage by passage translation into Spanish; transcribed from the English] We think that NAFTA is working well at the present time, the working groups that were created on antidumping and subsidies are continuing their work and that is important to Canada. We believe that Chile should accede to NAFTA, but we are not interested in a renegotiation of NAFTA in order to bring Chile in. [end recording]

Manley, who met with President Zedillo the morning of Monday, 6 November, said that the meeting was friendly and fruitful. In the afternoon, Manley inaugurated the Canadian Technology Hall in Polanco.

Minister Manley and the delegation of Canadian businessmen accompanying him will end their visit to Mexico on Tuesday, 7 November.

Senate Plenum Declaration Condemns Speculative Rumors

PA0811145095 Mexico City XEW Television Network in Spanish 0400 GMT 8 Nov 95

[From the "24 Hours" newscast — passages within quotation marks are recorded]

[FBIS Translated Text] The Senate plenum has strongly condemned speculative rumors against the economy that Mexico suffered on 3 November. Senate President Ernesto Navarro read a declaration in the name of the PRI [Institutional Revolutionary Party], PAN [National Action Party], and the PRD [Party of the Democratic Revolution]:

[Navarro] "We demand that there be an in-depth investigation into the origin of the false news that caused last week's speculative attack against the country's economy and that the identity of those responsible be known."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The document states that for the sake of the security of the Mexican state, it should be known whether this action was taken for the deliberate purpose of harming the country. Senate President Ernesto Navarro added:

[Navarro] "We respectfully call on the wire services not to disseminate baseless commentaries that damage credibility and trust."

The Senate will convene on 9 November.

The four factions of the Chamber of Deputies, PRI, PAN, PRD, and PT [Workers Party of Mexico], have urgently and unanimously approved two points of agreement by the PAN and PRD. One is to strengthen institutions and reaffirm confidence in the Mexican Army in the face of rumors of a coup d'etat disseminated against Mexico by a foreign agency. The second agreement is to investigate and punish rumor mongers.

PAN faction leader Ricardo Garcia Cervantes has requested that a special commission be formed to urge the Senate and the executive and judicial branches to reinforce the confidence of Mexicans and national unity.

[Garcia] "It is important to reflect and highlight the content of the rumor, a coup d'etat that alleges a possible lack of loyalty by the Armed Forces. This represents an offense not only to the military but to the Mexican people. Because of their support for democracy, the Mexican people trust that our armed institutions are bearers of the noble mission of safeguarding the republic's institutions."

Deputies from the various parties took turns to support the PAN proposal, and a seldomly seen climate of shared reflection began to be generated. It was then that the PRD's Marcos Rascon asked to speak and suddenly ducked behind the podium and reappeared wearing what he described as a mask depicting the face of U.S. President Bill Clinton. He began to speak but could not make himself understood. Immediately thereafter, deputies from all factions lost their patience and reminded him he was violating the rules, protested against his attitude, and called him a clown and a donkey. The entire PRI faction stood up and turned their backs on him. The PRD's Marcos Rascon apologized and clarified that his apologies are to the people of Mexico.

Independent Deputy Adolfo Aguilar has said the Mexican Army has not given a single hint of taking part in a coup d'etat, adding that among rumormongers there are those advocating a coup and asking that the Chamber of Deputies assume its responsibility and investigate these rumormongers:

[Aguilar] "There are coupists, and they are crouched; coupists wear no special identification as such and lurk in the dark and hide behind rumors."

As if compelled by a spring, PRI Deputy Luis Garfias, a retired Mexican Army general, went to the podium and stated with annoyance that he wanted to clarify the Army's position once and for all:

[Garfias] "We strongly reject all references to coupists as far as the Armed Forces are concerned."

PRI Deputy Fernando Jesus Flores Gomez, a retired Mexican Navy or Navy Secretariat admiral, also has said:

[Flores] "Never has a Navy officer even thought of disrespecting institutions and those who represent legally founded institutions."

The agreement among most of the deputies indicates that the Chamber of Deputies is ready to defend institutions.

Deputies approved a request by President Zedillo to travel to Japan between 16-19 November to attend the third Asia-Pacific Economic Cooperation summit.

It was reported that the federation's draft bills for 1996 earning expenditures will arrive on 14 November, and the finance secretary will appear before the deputies to explain them on 17 November.

Privatization of Petrochemical By-Products Industry Viewed

PA0811172595 Mexico City XEW Television Network in Spanish 0400 GMT 2 Nov 95

[Passages within quotation marks recorded; from the "24 Hours" newscast]

[FBIS Translated Text] Mexican Energy Secretary Ignacio Pichardo today discussed the impact that privatizing the petrochemical by-products industry will have on Mexican Petroleum. Pichardo said that some positions will be cut and workers laid off with the selling and updating of petrochemical by-products plants. He said that this will be a temporary measure:

[Pichardo] "Although some positions will have to be cut, the growth of the petrochemical by-products industry will make it possible to absorb these displaced workers later."

Although he did not provide any figures, he said that not many workers would be laid off. He added that workers' rights will be strictly respected, that calls for bids include conditions for additional jobs to be created so that personnel can be rehired, that collective contracts

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

will be signed with the oil workers union, and that foreigners will not displace Mexican workers:

[Pichardo] "The number of foreign workers who can participate in (?this type of work) is limited."

He also said that privatization of petrochemical by-products plants is not unconstitutional nor does it mean that the industry is being denationalized, even if foreign capital is involved:

[Pichardo] "It has been said that the sale of petrochemical by-products plants endangers one aspect of national sovereignty and is disloyal to the patriotic respect that we owe the Mexican oil industry. I want to make it perfectly clear that although they are related, the oil industry and the petrochemical byproducts industry are separate industries."

He denied any connection between loans that the government signed as a result of the crisis and privatization of this industry and assured that revenues will be reinvested in the oil industry.

Oil Workers Oppose Pemex Privatization

PA0311181595 Mexico City LA JORNADA in Spanish 31 Oct 95 p 14

["Text" of communique issued by the Trade Union of Petroleum Workers of the Mexican Republic, STPRM, on 30 October 1995 in Mexico City]

[FBIS Translated Text] To the Mexican people and to the country's oil workers:

The five union counselors representing the STPRM [Trade Union of Petroleum Workers of the Mexican Republic] said the following at the special meeting held by the Pemex [Mexican Petroleum, Inc.] Administration Council on 30 October. The only point on the day's agenda was the privatization of the assets of the secondary petrochemical sector.

Ignacio Pichardo Pagaza, Pemex Administration Council president:

Adrian Lajous Vargas, Pemex director general:

Distinguished members of the honorable Pemex Administration Council:

We, the union counselors belonging to this honorable Pemex Administration Council, were summoned today to decide and vote on the privatization of the secondary petrochemical assets.

Before proceeding to do this thing — which for months has constituted one of our main concerns as petroleum workers and, what is more important, as Mexicans — we wish to make certain statements on this issue.

Since childhood, we have been taught in the classrooms and in our homes that Mexican oil belongs to Mexicans. This is how this concept was strongly embedded in our spirit. Mexican oil is the property of neither the state, the government, nor those who, due to our political organization as people, must manage it.

For most Mexicans, oil then constituted a symbol of our sovereignty, because no one can deny that the appropriation President Lazaro Cardenas made signified a rescue and taught us the clear concept of our real independence.

For oil workers, this idea has led to a discipline as a way of life to support their hope. We have adopted this discipline aware that it is the only manner in which we can forge the country we want. This has prevented divisions that could translate into backwardness for the trade union and the industry for which we work.

It is these workers who, in the last few weeks, have hit the streets, have massively voted in the referendums, and have filled the air with protests, because they notice the threat of dissolving their source of jobs and their plan as Mexicans. It is true that it is they who started the threat; however, it is not they who have made it grow. It is the people who, aware of the fairness of the cause, have gotten together around a common objective: to prevent privatization.

There has been much talk on the alleged benefits this measure would bring to the group. However, there has been talk about money only. The opinions of the people have not been included in everything we have heard, and the people are the owners of the potential that oil and gas have of becoming secondary petrochemical by-products. These people are not even listened to.

We cannot conceive that the state has to get rid of a product that will evidently be managed following only entrepreneurial or business criteria — forgetting its projection as an instrument of our national development — and subjected to mere economic objectives alien to our needs and realities as a country.

We cannot accept the fact that the Mexican petrochemical industry will fall into economic expansionism [desarrollismo], following only the goal of capitalization — not the goal of social justice.

We, the oil workers, cannot understand how it is that, starting from a particular interpretation of the Constitution, a concept that all Mexicans had perfectly clear for generations — that due to its strategic condition, the property and administration of oil and other hydrocarbons corresponded to the state, as a representative of the highest interests of the supreme sovereignty, that of the people — has been weakening day by day.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

It is not up to us to accept the fact that investments in this sector have been relegated for many years — even though it is a highly productive sector and even though it has yielded considerable profits — so that this neglect, this backwardness, and this lack of attention have become an argument for the sale of the sector.

If we continue to brandish this concept, the doors to new privatizations will be opened. The path is too easy. The next issue to be forgotten will soon be the maintenance and renovation of vessels. It would soon be advisable for entire industries of any type to be immersed in full obsolescence, so that people later would regret its inactiveness and inoperativeness, thus eliciting its alienation.

It seems that the fact that the petrochemical industry does not belong to the energy sector has convinced the administrators of these goods that the state is not responsible for it.

We do not understand why the fact that Pemex owns the assets it currently has through its subsidiary, Pemex Petrochemical, is being interpreted as an excluding factor or an obstacle to investments in the growth of the country's chemical industry, because investments in this sector are a reality in the existing legal environment.

We know our reality and the imminence of an approval. We also know — as the people know — that not all legal matters are fair.

We cannot convince ourselves that the reason the previous legislators kept including the petrochemical industry in the provisions to which the oil industry is subjected was their lack of knowledge or their lack of ability.

On the contrary, we believe that the reason was a profound and sensible perception of the significance an activity — that can indeed be the springboard to true industrial development — has for the development of a country.

We believe that a development of this nature must be included in a broad plan that would consider the planning needs of not only the industrial sector, but also the commercial, tax, energy, financial, and, of course, environmental sectors. Coincidently, this planning corresponds to the state, because it has the elements necessary to perform a work of this nature. It could draft a general industrial development plan in which the petrochemical sector would occupy the place to which it undoubtedly has the right as a potential promoter of this process.

This is why we cannot support a decision that would help the government get rid of an asset, a decision that we may regret later.

We could say the same thing about the transportation and pipelines [ductos].

What could be next? The answer is simple: Everything.

Because we know what is going on at the petrochemical plants, we have doubts on the much argued inability to defray the expenses. We know by experience that the reclassification of the sector's products stemmed more from political reasons than from technical reasons.

If these plants are unprofitable, what moves foreign and local consortiums to purchase them? We have said it before, and we say it now: if they have hardships, setbacks, and burdens, these could be eliminated through a plan concerted by the government, the institution, and its workers. Giving us tools, spare parts, resources, and training is enough to overcome this argument.

The integration of its processes and the taking advantage of the experience of its own workers in repair works, operation, and maintenance have, in other cases, led to instilling strength in the petrochemical industry, and its benefits have increased the operational level. However, the path we followed in this case was the opposite path.

Let us not deceive ourselves. It will not be Mexicans who will aspire to purchase the plants that now up for sale. The foreign multinationals and their subjugating economic clout will be the ones that will easily take over the plants, to lead to objectives very different from our objectives.

Why should we believe that private capital will now be able to develop a sector as significant as the secondary petrochemical sector if the country's economic and industrial history shows us that most businessmen have always taken rather unenterprising attitudes and have always made empty nationalistic commitments?

How could we believe that, if foreign capital is be the true beneficiary of this privatization, as a consequence of the aforementioned attitudes, it will adopt an attitude resembling national interests and promoting the country's fair development?

How could we believe that all this will truly benefit Mexico?

Messrs. members of the honorable Pemex Administration Council:

Fully aware of what our action represents and with the responsibility that we have shown in the past and present and that the nation appreciates, we tell you that the representative counselors of the STPRM will not vote in favor of the privatization.

Sincerely,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"Together, we will succeed!"

Mexico City, 30 October 1995

[Signed] Ramon Hernandez Toledo, Pablo Pavon Vinales, Federal Deputy Calixto J, Rivera Diaz, Antonio Barajas Velarde, Federal Deputy Jesus Olvera Mendez.

The STPRM supports, seconds, and makes the decision the union counselors made during the special meeting held by the Pemex Administration Council on 30 October 1995 its own.

[Signed] Senator Carlos Romero Deschamps, secretary general; Federal Deputy Fernando Pacheco M., interior and agreements secretary; Leocadio Mendoza Olivares, foreign and propaganda secretary; Francisco Brindis Ortiz, labor secretary; Ricardo Aldana Prieto, secretary-treasurer; Jorge Patricio Pulido Avendano, organization and statistics secretary; and Manuel Limon Hernandez, surveillance council president.

Manufacturers Association Chief Supports Alliance's Goals

PA0811191895 Mexico City EL FINANCIERO in Spanish 2 Nov 95 p 6

[By Isabel Becerril]

[FBIS Translated Text] As Canacintra [National Association of Manufacturers] President Victor Manuel Terrones Lopez encourages all Canacintra members to help make the Alliance for Economic Recovery (APRE) a success and to work toward APRE goals, Canacintra members are telling him that the need for markets, debts, and the high price of money are three of their main problems.

Leaders of councils, sections, and delegations said during the Canacintra meeting held behind closed doors on 31 October that there is an urgent need to lower interest rates under the macroeconomic policy to resolve the situation as quickly as possible, regardless of the number of available programs. Several concerned businessmen proposed that a decree be issued to control the interest rates that commercial banks charge. They explained that this will help keep credit institutions from charging interest rates arbitrarily and irrationally. The industrialists who attended the meeting that EL FINANCIERO has consulted noted that participants confirmed that their leading concern and complaint is against the commercial banks, since — as they explained it — some commercial banks charge whatever rate they want, add on expenses, and set interest rates arbitrarily. They then reap all the profits, without anything regulating their actions. Another concern involves the domestic market: The industrialists hope that the problem of a contracted market will quickly improve with the new APRE measures.

There were positive messages, as well as complaints, during the meeting. Terrones Lopez delivered one of the most optimistic messages, saying that people should be pleased with the APRE since it will encourage domestic demand. He also said that the manufacturing industry will benefit from the incentives that are obtained. The highlight of the meeting was his call to all industrialists to help make a reality the plans and projects to which businessmen have committed. He said that it is very important to the economy that most of the 200 projects to which the business sector has committed be realized.

The industrialists that this newspaper consulted stressed that the business leader was particularly concerned with the fiscal modifications negotiated within the APRE framework. Terrones Lopez urged industrialists to report all the problems they have found along the way in this regard, so that they can be reported to the APRE and can be resolved soon.

As for the Agreement for Immediate Support to Bank Debtors (ADE), many industrialists reportedly signed a letter of intent to restructure their debts. It is estimated that 60 percent of the signatures were collected.

It was noted that the review to reach a bank-business agreement and restructure the overdue portfolio began yesterday. The Canacintra president pointed out that companies displayed goodwill during the negotiations, adding that even though the ADE is not the panacea to resolve the problems of overdue portfolio it is the path on which the manufacturing sector can advance.

Judge Acquits EZLN Commander of Sedition, Other Charges

PA0911005695 Mexico City NOTIMEX in Spanish 2115 GMT 6 Nov 95

[FBIS Translated Text] Mexico City, 6 Nov (NOTIMEX) — Maria Gloria Benavides, "Commander Elisa" of the Zapatist National Liberation Army (EZLN), was acquitted today of the charges of sedition and carrying weapons meant for the exclusive use of the Armed Forces.

Fernando Andres Ortiz Cruz, a federal judge at the Northside Prison, acquitted Benavides, who was arrested last February. According to the report, the alleged EZLN militant, who was released after posting a $9,000 bail three months ago, cannot be tried for other offenses, unless another judge appeals the decision.

The alleged "Commander Elisa" was arrested early this year after weapons meant for the exclusive use of the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Army, Navy, and Air Force were found in her home. She was also charged with conspiracy, rebellion, and terrorism.

David Fernandez, of the "Agustin Pro" Human Rights Center, said the acquittal is "an encouraging signal" that shows that the judicial branch is behaving independently of the executive.

The ruling, he added, sets the bases for the release of the other 18 Zapatists being held in different prisons of the country.

The EZLN rose up in arms on 1 January 1994 in southeastern Chiapas State to press for the demands of Indians and is currently holding talks with the government of President Ernesto Zedillo to seek a negotiated solution.

Six States To Hold Elections on 12 Nov

PA0811214295 Mexico City NOTIMEX in Spanish 1903 GMT 8 Nov 95

[FBIS Translated Text] Mexico City, 8 Nov (NOTIMEX) — Six Mexican states will hold elections next Sunday to renovate one governorship, mayoralties, and state congresses, although attention will focus on Michoacan, Oaxaca, and Puebla where disputed electoral contests are expected.

Elections will also be held in the States of Tlaxcala, Tamaulipas, and Sinaloa which, together with Michoacan, Oaxaca, and Puebla, will mark the end of the electoral calendar for this year.

The election in the western State of Michoacan, where the governorship, 113 mayoralties, and 18 local deputy seats will be renovated, is considered as the most important of the six elections scheduled for next Sunday.

According to the Michoacan Electoral Institute, everything is ready for the elections, in which 1.869 million registered voters will be able to participate. These citizens have already their voting cards with their picture on it.

For the gubernatorial elections, five candidates nominated by an equal number of parties are participating. Of them, Victor Manuel Tinoco Rubi of the Institutional Revolutionary Party (PRI) is leading voters' preferences, according to the latest polls conducted.

A poll released by different media sources on the eve of the elections reported that Tinoco Rubi has 42 percent of support among Michoacan voters.

The pro-government candidate is followed by Cristobal Arias of the Party of the Democratic Revolution (PRD), who has 31 percent of preferences, and by Felipe Calderon of the National Action Party (PAN), with 26 percent of the potential votes.

Local electoral authorities said that during the elections in Michoacan, 4,125 polling stations will be set up with the participation of 75,000 people. These polling stations will be distributed in the 113 municipalities of that state.

According to the results of the polls, the Michoacan society has changed its preferences after the state was identified as an important bastion of the opposition PRD.

In statements to the press, Tinoco Rubi remarked that his party "does not need, nor will it need to resort to illicit practices in the upcoming elections in Michoacan."

Currently, the PRI controls 63 municipalities, the PRD 43, the PAN five, and the Party of the Cardenist Front for National Reconstruction (PFCRN) and the Authentic Party of the Mexican Revolution (PARM) one each. Meanwhile, 17 deputy seats are held by PRI members and one by the PRD.

According to the leaders and candidates of the three largest contending parties, their respective organizations will win the elections on a day in which the participation of 60 percent of the updated electoral register is expected.

Gonzalo Altamirano, PAN leader in Mexico City, stated that next Sunday's elections will be fundamental for the democratic future of the country.

The PAN leader considered that if the elections in Michoacan, Oaxaca, Puebla, Tlaxcala, Sinaloa, and Tamaulipas are held peacefully, national stability will be guaranteed.

Michoacan Governor Ausencio Chavez Hernandez called all the parties that will participate in Sunday's elections to ensure that a climate of tranquillity and harmony prevail on that day.

Chavez Hernandez, who will end his administration next February, said that a security operation will be implemented on Sunday, to curb any type of violent incident and ensure that all the Michoacan residents can exercise their right to vote.

In the central Puebla state 217 municipal local presidencies and 26 deputy positions will be renewed. However, the election that is to be held at the state's capital city is the one that has triggered more attention.

According to the Public Opinion Studies Center of the University of Guadalajara, the conservative PAN had 47.1 percent of the electoral preference in Puebla's capital city and the governing PRI has 32.4 percent.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The elections in Tlaxcala to renew the 32 members of the local congress will be carried out in accordance to the recently reformed State Electoral Law that establishes, among other things, a maximum for campaign expenditures.

The elections in this state, located 120 km to the east of Mexico City, will be held after Congress approved last August, to advance the elections one week "so as to take advantage of the inactivity in other states."

Meanwhile, the elections in the southern Oaxaca state will have a unique character because out of the 470 municipalities that will renew its officials, only in 165 will they be elected in the polls and the rest will be renewed through the traditional system of "uses and customs" ["usos y costumbres"].

The method of "uses and customs," which will be utilized in several Oaxaca municipalities, allows the residents to appoint their next authority through traditional, community-related procedures.

This process varies from community to community. In some cases, the election is made by directly pronouncing the citizens who will be the authorities and in others it is done with ballots or lists.

The common feature is that the authorities are elected with the participation of an ample sector of the different peoples and Indian groups that live in Oaxaca.

The local congress approved an "Elections by Uses and Customs in the Municipalities" decree last August. This decree legitimizes the elections through community assemblies.

According to prior polls, the elections in the northwestern Sinaloa state will also be a heated competition for the 18 mayoralties and 24 local deputies positions that are at stake.

A market investigation and socio-economic studies organization poll has shown that in Culiacan, the capital city of Sinaloa, a close fight between the PRI, with 37.6 percent of the voting preference, and the PAN, with 36.5 percent of the preference, is to be expected.

According to national PRI leader Santiago Onate Laborde, the elections in the northern Tamaulipas state, where 43 mayors and 19 local deputies will be elected, are expected to take place in a climate of tranquillity.

Puebla Governor: Everything 'Ready' for Elections

PA0811220895 Mexico City XEW Television Network in Spanish 0400 GMT 7 Nov 95

[From the "24 Hours" newscast]

[FBIS Translated Text] There will be elections next Sunday, 12 November in six Mexican states: Michoacan, Puebla, Tlaxcala, Sinaloa, Tamaulipas, and Oaxaca.

In Puebla, 217 municipal presidencies will be renewed. More than 2.7 million persons are apt to vote in that state. Next Sunday, 12 November, 2.171 million people holding voting credentials with their photographs will go to the polls in Puebla. There will be 4,712 polling stations which have been installed throughout the state. Elections have been called to elect 217 municipal presidents, 26 deputies of simple majority, and 13 of proportional representation. Seven political parties will have candidates: PAN [National Action Party], PRI [Institutional Revolutionary Party], PRD [Party of the Democratic Revolution], Cardenista Front for National Reconstruction Party, Green Ecologist Party, Labor Party, and Popular Socialist Party, within the framework of the new State Electoral Code.

[Begin Puebla Governor Manuel Bartlett recording] There have been no incidents in the state thus far that could tarnish the process. We have really had a democratic, clean, and open process. Therefore, we only have to comply with the law. Everything is ready. The elections will be held in a few days, and I am sure that we will continue on the same path. Puebla lives in a climate of peace. [end recording]

Official results will be known on Wednesday, 15 November at the Electoral Municipal Committees.

Roundup of Economic Developments Through 6 Nov

PA0711154395

[FBIS Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 6 November.

According to a 30 October, Mexico City-datelined report, Miguel Mancera Aguayo, governor of the Bank of Mexico (Banxico), has announced that inflation will close at 50 percent this year, while the GNP will decrease between 5 to 6 percent. Mancera added that the bank began operating in 1995 with the idea that the monetary base would grow approximately 10 billion new pesos, an increase consistent with the internal credit ceiling established by the bank in the same amount. (Mexico City NOTIMEX in Spanish 2032 GMT 30 Oct 95)

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Probursa Financial Group has undergone a reorganization and has reported losses in its subsidiary branches in the sum of 2.19 billion new pesos in September. Of this amount 1.983 billion new pesos corresponded to affiliated banks. After 2.457 billion new pesos were capitalized during the trimester, the affiliated Banco Bilbao Viscaya group has announced net profits of 134 million new pesos for the trimester. Also reported was a monthly loss of 52 million new pesos in July and a net profit of 186 million new pesos during the August-September period. (Mexico City EL FINANCIERO in Spanish 30 Oct 95 p 6)

The National Finance Bank, Inc. (Nafin) has increased its preferential interest rates 5.31 percent. The Nafin bank credit rate for November will be 39.47 percent, which is 2.63 points below the market prime rate. According to Nafin, the reduction in the financial rate for businesses has permitted the transfer of benefits to those businesses that enjoy the best prestige in national markets and abroad. (Mexico City EL FINANCIERO in Spanish 30 Oct 95 p 6)

Adrian Lajous, general director of Mexican Petroleum, and Jose Antonio Ceballos Soberanis, general director of Pemex (Mexican Petroleum) Exploration and Production, has given a detailed assessment to the Chamber of Deputies Energy Committee of the damage caused by Hurricanes Opal and Roxanne in the Sonda de Campeche oil fields. They informed deputies during the working session that 73 percent of the production of crude and gas has been recovered and is expected to be back to normal in three weeks. (Mexico City LA JORNADA in Spanish 28 Oct 95 p 24)

The Workers Insurance Company and Workers Security Trust, which are independent units of the Workers Bank, have announced profits of 27.8 million new pesos and 6.5 million new pesos, respectively, for the third trimester of the year. These figures represent increases of 626 and 385 percent in the respective net profits, compared to the first nine months of 1994. (Mexico City EL FINANCIERO in Spanish 30 Oct 95 p 13)

Fluctuations in the national financial system have persisted, as is attested to by figures for the third trimester of 1995 announced by the Banamex (Bank of Mexico)-Accival Group. The country's largest credit institution has been unable to meet the minimum demands established by monetary authorities. Economic analysis research by EL FINANCIERO indicates that Banamex's overdue portfolio has increased at an annual rate of 69.1 percent, going from 9.761 billion new pesos in September of 1994 to 15.329 billion new pesos in September of this year. (Mexico City EL FINANCIERO (ANALISIS SUPPLEMENT) in Spanish 1 Nov 95 p A7)

Durango Industrial Group, the country's largest coffee packing company, has reported net sales for 517 million new pesos for the third trimester of 1995, which represents an increase of 43 percent compared to the same period of 1994. Accumulated sales in 1995 registered a 40 percent increase, going from 1.221 billion new pesos in 1994 to 1.708 billion new pesos in 1995. (Mexico City EL FINANCIERO in Spanish 1 Nov 95 p 8)

A 1 November, Mexico City-datelined report states that Mexico's international reserves totaled $13.567 billion as of 27 October, $93 million less than the level registered on 20 October. Banxico has announced that this reduction was caused by the amortization of $97 million in Treasury Bonds (Tesobonos) and the sale of $136 million to the federal government to service its foreign debt. Banxico has stated, however, this reduction was partly offset by the receipts of $140 million from state owned organizations, particularly Pemex. Banxico has concluded that the country's monetary base as of 27 October totaled 47.63 billion new pesos (approximately $6.714 million). (Mexico City NOTIMEX in Spanish 0947 GMT 1 Nov 95)

A Mexico City-datelined item reports on 1 November that the real value of production in the construction sector dropped by 53.6 percent last August. A study by Probursa Financial Group revealed that the drop in construction for the first eight months of the year totaled 45.9 percent. According to experts, 163,774 construction workers lost their job during this period. The study concluded that from October to the end of last year, the number of personnel employed in the construction sector declined by 11.9 percent, namely 56,715 positions. (Mexico City NOTIMEX in Spanish 2018 GMT 1 Nov 95)

According to a 1 November report datelined Mexico City, crude oil and natural gas production in the area of Campeche last October decreased by 32 percent, following the damage caused by hurricanes Opal and Roxanne. Pemex has announced that oil production in October averaged 1.9 million of barrels per day (BPD), compared to the 2.8 million BPD estimate programmed for that period. Of the reduction, 606,000 BPD came from light crude oil production, while the reduction in light and extra light crude oil production accounted for 284,000 BPD. (Mexico City NOTIMEX in Spanish 2124 GMT 1 Nov 95)

Agriculture Secretary Francisco Labastida has said floor prices for bean and corn were established to prevent speculation from harming farmers' income. The secretary has said prices for basic grain producers should be in keeping with international quotations plus overhead.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The official has said the Alliance for the Countryside aims to promote the domestic production of crops, meat, and milk. Labastida has announced the Secretariat of Agriculture will have a budget of $18 billion next year. He has said between 25 billion new pesos and 30 billion new pesos will be spent over the next five years in capitalizing the agricultural sector. (Mexico City EL FINANCIERO in Spanish 2 Nov 95 p 23)

The prices of milk by-products, bread, and deli products have reportedly increased between 24 and 30 percent, on average, while meat producers reported a 9 to 13.6 percent hike in meat prices. The Under Secretary's Office of Domestic Trade has stated that producers have reached an agreement with authorities on the above increases. Unofficial reports indicate tortilla prices in various states were set 20 percent higher than authorized prices last week. A Mexican consumer group has said the price of basic market basket products rose by 40.1 percent since the December devaluation. The group concluded that the average market basket price went from 964.21 new pesos in late October to 988.65 new pesos now. (Mexico City LA JORNADA in Spanish 2 Nov 95 p 48)

Telecommunications of Mexico (Telecomm) has reportedly privatized the marketing of the transmission of news from national and foreign news agencies. The transaction was concluded on the condition that the concession-holder invest approximately $4 million in the next three years to modernize networks and equipment. The contract was awarded to the firm Redsat. The main users of these via satellite transmissions are the news agencies NOTIMEX, AFP, and the Associated Press. A paging service called Infosat will reportedly bring in an additional $11 million over the next three years. (Mexico City LA JORNADA in Spanish 2 Nov 95 pp 60, 14)

The overdue portfolio of banks reportedly stabilized last September. Consequently, the restructuring of loans in investment units (UDI's) and under other plans has begun to bear fruit. The vice president of the National Banking and Securities Commission has said this will have a positive impact on the financial system and a reduction in the cost of credit. The official has said 110 billion new pesos worth of loans were restructured as of 20 October, $55 billion of which were in UDI's. (Mexico City EL FINANCIERO in Spanish 2 Nov 95 p 7)

President Zedillo on 1 November issued a decree exonerating companies making less than 7 million new pesos yearly from the payment of taxes on assets. This decree allows companies to credit 20 percent of the minimum yearly wage against income taxes for every job created between 1 November 1995 and 31 December 1996. In addition, it exonerates taxpayers from the payment of taxes on new vehicles not exceeding 224,000 new pesos, destined exclusively for the transportation of goods or rendering of services. In Nuevo Leon State, 20 percent of factories reduced their work schedule by 50 percent due to the economic crisis, which has prompted the bankruptcy of 2,000 companies and the loss of 25,000 jobs. (Mexico City LA JORNADA in Spanish 2 Nov 95 p 46)

According to Secofi (Commerce and Industrial Development Secretariat), 339 new assembly plants were established in Mexico between January and September of this year, increasing the total number of plants in Mexico to 2,815. The new plants established themselves in Baja California (77), Chihuahua (41), Durango (26), Puebla (23), and Aguascalientes (20). In the textile industry, 188 new plants were established during the first three months of the year. Thirty-six new plants were established in the metal and wood industries, 32 in electrical materials and accessories, and 22 in the chemical products industry. Secofi has announced that the new plants created 43,232 jobs, which added to the 45,959 jobs created by the expansions of existing plants gives a total of 89,211 (as published) new jobs in the industry. Between January and June 1995, the industry had a trade surplus surpassing $5 billion. (Mexico City LA JORNADA in Spanish 3 Nov 95 p 47)

David Maauad, president of the National Chamber of the Clothing Industry, has said the indiscriminate economic opening, the financial crisis, and the anti-inflation policy have adversely affected the national clothing industry. Maauad has said that sales have decreased 50 percent this year and that 4 percent of the companies in the sector have shut down. (Mexico City LA JORNADA in Spanish 3 Nov 95 p 48)

The federal government has purchased the loan portfolios of seven banks for 25,170 billion new pesos. In return, the banks have received special Cetes (Treasury Certificates) that accrue monthly interests, and they have gotten rid of unproductive assets. The Savings Protection Banking Fund (Fobaproa) has purchased the seven portfolios from Mercantil-Probursa (4.700 billion new pesos), Serfin (4.34 billion new pesos), Promex (3.030 billion new pesos), Atlantico (3.7 billion new pesos), Bancrecer/Bancro (5.020 billion new pesos), and Bital (4.380 billion new pesos). The amount spent to purchase the portfolios is 3.57 times the amount of the government's subsidy given to reduce interest rates according to the Agreement for Immediate Support to Bank Debtors. (Mexico City EL FINANCIERO in Spanish 3 Nov 95 p 5)

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The National Chamber of the Construction Industry (CNIC) has stated that the construction sector has been the sector most severely affected by the economic recession, because its gross domestic product fell 21.4 percent during the second quarter this year, and the production of buildings constructed and transportation fell 61.46 and 48.08 percent, respectively. The CNIC has stated that during the first five months of 1995, private investment fell 25 percent and government investment fell 22.7 percent; therefore, production in the construction sector decreased 14 percent. Production from April to June reached 7.36 billion new pesos, a 54.61 percent drop in real terms. The construction sector's purchases to suppliers during the second semester of 1995 reached 2.696 billion new pesos, which represents a 52.7 percent annual decrease. (Mexico City EL FINANCIERO in Spanish 3 Nov 95 p 16)

According to the Mexican Social Security Institute (IMSS), approximately 50,000 jobs were lost and 2,770 companies folded from January to September 1995 in Jalisco State. The IMSS has announced that the number of people employed dropped from 788,000 in December 1994, to 739,000 in September 1995, a 6.2 percent decline in employment. Part time jobs fell 42.6 percent. During the same period, unemployment in the metropolitan area of Guadalajara went from 3.5 to 8 percent. (Mexico City EL FINANCIERO in Spanish 3 Nov 95 p 19)

In the first 10 months of 1995, the Mexican peso suffered a devaluation of 37.67 percent, despite programs and measures adopted by the government to restore investors' confidence. Hopes for sustained currency exchange stability are distant, and the possibility of a dollar-peso exchange rate of 1:7 is almost certain. (Mexico City EL FINANCIERO (ANALYSIS Supplement) in Spanish 3 Nov 95 p A3)

Mexican exports have begun to lose the competitive edge provided by the devaluation of the pesos last December. In August 1995, the export index suffered an annual drop of 1.7 percent after registering a growth of 17.75 percent in February when the trade surplus began, meaning the Mexican trade balance, which reached a historical high of $4.48 billion last August, is slowing down and with it the possibility of the export sector being the heart of economic growth next year. (Mexico City EL FINANCIERO (ANALYSIS Supplement) in Spanish 3 Nov 95 p A3)

The Finance Secretariat has affirmed that the Mexican economy will face less pressure next year and will have better prospects in 1996 as a result of a 78 percent reduction in the public sector debt compared to 1995. Mexico will pay $8.9 billion in public debt compared to $41.44 billion in 1995. Payments made in 1995 correspond to Tesobonos ($29 billion), the public sector debt ($4.3 billion), and the so-called nonmarket debt ($8.2 million). (Mexico City NOTIMEX in Spanish 1703 GMT 6 Nov 95)

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Guatemala

President Interviewed on Elections, Economy

PA0911042695 Mexico City Radio Red Network in Spanish 0225 GMT 8 Nov 95

[Telephone interview with President Ramiro De Leon Carpio by Jose Gutierrez from station studios in Mexico City; monitored in progress — recorded]

[FBIS Translated Text] [Gutierrez] ...the social and economic crisis we are experiencing, especially the economic model. As far as you and Guatemala are concerned, what steps will be taken to overcome this moment?

[De Leon] I believe that right now there is no economic prescription that can be applied to the various countries. Nevertheless, there are ways, instructions regarding the globalization of the economy, which should also be converted into political globalization. In our case, we are a country with very special characteristics. We are just emerging from a period of transition. I became president following an institutional break and I am about to conclude my constitutional mandate, and a few days from a general election in which the Guatemalan people will freely elect new rulers and Guatemala will start a new stage. Undoubtedly, once the country becomes politically stabilized, institutionally stabilized, then we have to face the economic and social issues. We have made a tax reform. I believe that the basis for a country's development is to have resources, and resources are obtained through taxes. What model, then? The model should be adapted to the reality of each country.

[Gutierrez] Mr. President, there have been many discussions on globalization and it is said that some countries are in time to be able to join the world and compete, but for other Latin American countries, such as ours, it has been very costly and we have lost more than what we had. What is your opinion?

[De Leon] I agree. Regrettably, small countries, developing countries, or underdeveloped countries, such as Guatemala and Central America, must first come together in blocs. But the question, nevertheless is, are we prepared to compete? We are not asking for anything free, but simply to be allowed to compete freely, without non-commercial conditions [condiciones extracomerciales], as is many times the case with developed countries that impose non-commercial conditions, which practically choke a small country. We are neighbors, the only country — I have said that Guatemala is the only country in the world — that is a neighbor of the world's most powerful economic bloc: NAFTA. This has its disadvantages but could be of great advantage if we prepare ourselves economically, if we prepare ourselves industrially, commercially speaking — a most difficult task — but it is the challenge of the future. No one invited us when Mexico, Canada, and the United States, and now Chile, joined-up in a bloc. The bloc is there, and in the face of this reality we need to prepare ourselves and face up to this.

[Gutierrez] Mr. President, in the face of this type of experience you mention, would you have liked Guatemala to have taken part in an economic bloc of this sort?

[De Leon] Of course. But taking things in proportion, not for Guatemala's sake, but Central America. I believe that a united Central America, headed by Guatemala due to logical conditions of preparedness, resources, and so forth, especially once the political problem is resolved, once the war problem is resolved, and so forth, then in that sense yes. In fact we are requesting, we have requested as a Central American bloc, our entry, under certain conditions, to NAFTA. I believe that the market is so extensive that there is enough for everyone provided there is no selfishness and these large economic blocs and globalization take into account social needs and humankind. What happens to a country or what happens to a family, also happens to nations. Powerful countries must take social and human issues into account not only to profit at the expense of small countries and to exploit them, but also to transfer to them social benefits and allow all of them to benefit from this much-discussed globalization.

[Gutierrez] Mr. President De Leon Carpio, in your personal reflections on poverty in your country and Latin America and the ways to overcome it, albeit slightly, what are your conclusions on how to face this affair?

[De Leon] The first topic that had to be addressed was corruption. Latin American governments have to be honest and open because corruption is our democracies' number one enemy and the people's number one enemy. We have a poor population, for example Guatemala, with a poverty level of 80 to 84 percent, which includes a percentage of extreme poverty, cannot be led by dishonest governments. This is a basic point. There must be openness and corruption must be fought in every sense of the word. In addition, there must be naturally a government program to fight poverty, not by giving away in a paternalistic manner, but providing the necessary elements — basically employment. We need to give jobs to the people and the fishing reel for them to fish, not the fish. Give them the instruments and then attain economic growth.

For example in Guatemala, we are going to end this period with positive macroeconomic indicators, an in-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

flation rate of just 8 percent, the second lowest in Latin America, favorable reserves, and a very manageable foreign debt that reaches no more than $2 billion.

In macroeconomic terms, I will be able to present a very good report: a stable currency, and a 5 percent economic growth compared to a 3 percent population growth. Those, however are macroeconomic indicators. If you ask the 10 million inhabitants, they will tell you that the microeconomic situation is critical. That is the human, social aspect that must be transformed. The economic benefits should not be only in the hands of a minority group of people, who become rich. Here in Guatemala, the economic situation is fabulous, but for a reduced number of people. Those economic benefits have to reach the people. I am not saying that wealth should be taken away from the rich; or that they should not be allowed to receive revenues. No, we must give them the facilities to make profit so that those who today do not enjoy those economic benefits can be richer.

[Gutierrez] Mr. President I have two more questions, [words indistinct] your answer on corruption. There are many theories on how to fight corruption, ranging from the theories on being authoritarian to the one on reeducating our people. Which one do you favor?

[De Leon] I would say that both are pertinent. I disagree with the first one on being authoritarian. I was educated within a legal framework, I am a lawyer with a democratic spirit. I would not favor being authoritarian, but I believe the law should be strictly applied. This is not being authoritarian, it is simply that the law must prevail. The other method, undoubtedly, is through education starting from childhood. The same way we teach values and how to live in a democratic system, we must reform the education system in order for the new generations to have new concepts, a different mentality, and a different attitude.

[Gutierrez] It has been said that sometimes in Latin America it is hard for the governments and the heads of state to apply the law drastically, a term that you used. Is it true?

[De Leon] Yes, it is true because impunity and corruption are rooted at all levels, not only in the public sector, but in the private sector as well. There are obstacles, barriers that sometimes are hard to overcome. Therefore it is hard for a honest president or government whose leaders are acting honestly to transfer that honesty and apply the law drastically as I said. What I meant was that it is difficult to apply the law strictly, as it corresponds. It is difficult because there are factors of power that hinder this. That is precisely the great struggle we are waging.

[Gutierrez] Would you say that when a president let us say, takes a firm attitude against corruption in a country where corruption reigns — it could be any country — he becomes an estranged president for the people who are trying to eliminate perquisites and advantages?

[De Leon] That is correct, but the people appreciate and admire him. He receives recognition for his work, although in other areas he might not reach his goal. I am going to give you the example of Guatemala. We have great problems regarding violence, which unfortunately we have not been able to solve, but there is recognition to the transparency, honesty, and removal of public officials who apparently were corrupt. This is something that had never occurred in the history of Guatemala. People have recognized this, but you are right, it is strange. We must change that strange situation into something normal. In other words, the next administration will have to at least follow the same steps or surpass them. Otherwise, the people will demand it from them, because they are already getting used to that type of government. It is not so strange anymore.

[Gutierrez] President De Leon Carpio I thank you for accepting our call to speak about the different faces of Latin America and in this way try to find solutions to our problems. Thank you very much.

[De Leon] Thank you, and congratulations for your program.

[Gutierrez] Thank you.

SIECA Says NAFTA Prompts Companies To Leave Region

PA0911005495 Guatemala City PRENSA LIBRE in Spanish 4 Nov 95 p 56

[FBIS Translated Text] Economist Haroldo Rodas, secretary general of the Secretariat of Central American Economic Integration (SIECA), reported yesterday, that 100 maquila [assembly industry] firms have left Central America — leaving 40,000 jobless workers — since NAFTA went into effect and that more investments are expected to leave the region because the U.S. Congress did not approve the Parity Law for the region.

The Central American region started to observe the flight of investments in several areas — such as assembly and textiles — back in 1994, due to the benefits that NAFTA — which was signed by the United States, Canada, and Mexico — gives to the latter country, especially in regards to the customs tariffs to enter its products.

According to a report issued by the Economic Commission for Latin America, ECLA, as soon as NAFTA went

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

into effect, 45 percent of the Mexican textiles exported to the United States no longer had to pay custom tariffs.

In the short term, Mexico will only have to reduce 20 percent of its total exports to the U.S. market. ECLA also observed that all the quotas for Mexican textiles and garments were immediately eliminated.

Although, Mexican exports that did not have any quotas prior to NAFTA did not exceed 35 percent, official sources have asserted that 90 percent of the total amount of exports benefited when the treaty between the three North American countries went into effect.

According to Rodas, the non-approval of the Commercial Security for the Caribbean Basin Law, known as the Crane HR-553 initiative or the Parity Law, has negatively affected the region and, until a way is found to supplant those benefits, NAFTA will continue to cause investments to move to Mexico.

URNG Issues 'Urgent Declaration' on Kidnapping Case

PA0911002495 Guatemala City PRENSA LIBRE in Spanish 7 Nov 95 p 58

["Urgent Declaration" issued by the Guatemalan National Revolutionary Unity General Command on 5 November 1995; no place given]

[FBIS Translated Text]

URGENT DECLARATION BY THE URNG [Guatemalan National Revolutionary Unity] GENERAL COMMAND

In view of the very serious attack against the family of Nobel Peace Prize Laureate Rigoberta Menchu Tum on Saturday, with the kidnapping of her two-year old nephew, the URNG General Command, before the international and national public opinion: **CONDEMNS**

With full strength and indignation this criminal act that scoffs the national and international conscience; it is inconceivable and unexplainable and affects the entire Guatemalan society.

This criminal action tends to perpetuate the policy of terror and threats our people have experienced for the past decades. The Xaman massacre has relived this with all its ill-fated effects and this barbaric act aggravates and worsens this policy of terror. **DENOUNCES**

That the perpetrated kidnapping, which was really intended for the Nobel Prize Laureate's son, shows the deliberate acts by recalcitrant sectors, and this way attacks those who exercise their democratic and civilian rights, with no respect to the fact, such as in this case, that she is an international personality.

That the reason for this kidnapping and vile attack is due to the exemplary fact that the Nobel Prize Laureate has become the accuser of those responsible for the Xaman massacre and because of the civic campaign carried out by the Menchu Foundation, calling on people to vote.

Since the Xaman massacre, the Guatemalan population, just when it began seeing other possibilities of political participation, has felt intimidated and attacked. This has started a process of withdrawal over the past few weeks that could have a negative effect on election participation. It is of elemental logic to think that if an international personality is attacked with impunity in our country, any other person can also be attacked. **DEMANDS**

That the Government of the Republic and its security forces, which have more than enough information to know where this attack came from, act immediately and with all its energy to clarify the incident, save Rigoberta Menchu's nephew, and ensure that the full force of the law falls mercilessly on those responsible. **REQUESTS**

National and international public opinion to express the broadest solidarity with the Menchu family; that this criminal act be strongly condemned; and that the government clarify it immediately and efficiently.

[Signed] URNG GENERAL COMMAND

[Dated] 5 November 1995

President Views Problem of Returnees From Mexico

PA0811191795 Guatemala City SIGLO VENTIUNO in Spanish 3 Nov 95 p 4

[FBIS Translated Text] President Ramiro De Leon Carpio said yesterday that *bringing back more refugees without any security or guarantees to land is a very serious problem for the state; thus, we are trying, through the mediating office, to prevent additional returnees, because they become a serious matter with which to deal.*

The president said that to bring them back in a disorderly manner is a serious matter, because first, they come to settle in areas where there is no type of security, and second, they have no land; thus, they are violating part of the agreements.

Despite this, my policy has been not to prevent their return; therefore, the process will continue, because there are various groups that are returning with the necessary support, but others are doing so in a disorderly manner and only cause serious problems to the state and their families, he added

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

De Leon Carpio made these statements, because nearly 300 repatriated Guatemalans who returned from Quintana Roo, Mexico, on 31 October have given the government up to 7 November to dislodge 290 families living in the Santa Maria Dolores plot in Ixcan, Quiche.

Police Seize 482 Kilos of Pure Cocaine

96P20083A San Jose LA NACION in Spanish 6 Nov 95

[Received via Internet]

[FBIS Translated Text] Guatemala, 6 Nov (ACAN-EFE) — Official sources confirmed yesterday that the Guatemala Army had seized 482 kilos of pure cocaine worth approximately $8 million and considered to be the largest shipment of drugs seized in the northern department of Peten this year.

The drugs were found by the side of the road by an Army column, which patrols the area around Sayaxche, Peten, some 450 km north of Tegucigalpa.

Army sources reported that several individuals, who were transporting the shipment, fled when they spotted the soldiers, who were unable to capture them.

The cocaine was delivered in the presence of prosecutors for the Department of Counterdrug Operations (DOAN), a specialized division of the Treasury Police which operates in the area.

Washington considers Guatemala to be a "bridge" for drug-trafficking between South and North America; an activity, which according to the DOAN, has greatly decreased this year.

Peten, the largest and most remote department in the country, is characterized by its extensive wooded areas that are used in the illegal cultivation of marijuana and the trafficking of other drugs.

During the first six months of 1995, the DOAN and the Treasury Police were able to seize more than 1 million marijuana plants, 677,000 poppy plants, 63 kilos of cocaine worth approximatly $69.6 million, and arrest at least 102 people.

Honduras

CODEH President Accuses Army Chief of Lying

PA0911002795 Tegucigalpa LA TRIBUNA in Spanish 7 Nov 95 p 65

[FBIS Translated Text] Yesterday, Ramon Custodio Lopez, president of the Honduran Human Rights Defense Committee (CODEH), told General Luis Alonso Discua Alvir, commander in chief of the Honduran Armed Forces (FFAA), that eventually, he will wind up in an unfavorable position because he is not speaking with the truth.

"He is lying to the public when he argues that we are misrepresenting the victims of the Nicaraguan contras as victims of the Honduran military forces," Custodio stated.

Custodio maintained that in the past decade, admissions and releases from the contras' hospitals were controlled by the FFAA and they operated with the full knowledge of the FFAA. "There were liaison officers between the contras and the Honduran military," he added.

Custodio stated that the contra commanders "casually" entered and exited the offices of the Joint General Staff of the FFAA, located in Tegucigalpa's Obelisk Square.

He regretted that Gen. Discua has suggested that the remains found in the southern area, as well as the area of El Paraiso, belonged to victims of the contras, the Salvadoran guerrillas, or the refugees.

"This man whom we are exhuming today (Adan Aviles Funez) was captured in Choluteca by military authorities, and we will prove that before the courts," he maintained.

He recalled that last May, precisely at the installations of the 9th Infantry Battalion, Gen. Discua suggested that Nicaragua be requested information after the discovery of six skeletons in Las Vueltas, Jacaleapa.

"The cases the CODEH is handling are cases of Honduran and foreign nationals who were captured illegally. Our work is not to establish the crimes perpetrated by the contras," Custodio clarified.

He emphasized that the contras were deployed throughout the country and worked closely with Honduran officers in the forced disappearance of persons.

He stressed to the chief of the FFAA that "we are all equal before the law, and sooner or later he will be making, under oath before a judge, the remarks he often repeats."

According to the CODEH president, things do not just happen. The duty of the military is to abide by the Constitution and ensure its compliance by others," he pointed out.

In addition, Custodio asked Gen. Discua to explain to the people why drug traffickers of his acquaintance were released. The same question will be asked to the members of the Drug Trafficking Commission.

Referring to Colonel Juan Blas Salazar Meza, sentenced last week to more than 20 years in prison, Custodio

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

remarked that "when the time comes to defend one of their friends, they overlook these details."

Custodio made the former statement in reference to remarks made by Gen. Discua in El Salvador, where he announced that he will ask President Reina to be lenient with Col. Juan Blas Salazar.

"If the military are the criminals, why shouldn't they be punished?" Custodio wondered.

As for the appropriate path through a dialogue Gen. Discua is trying to reach, he noted that "for all Hondurans to live in peace, we should all be equal before the law."

He also emphasized that if there are drug traffickers on the streets, it is because military officers who were performing the duties of policemen let them escape.

Meanwhile, he recommended the reporters to check the statistics so that they could learn how many drug traffickers escaped when David Abraham Mendoza, current commander of the 7th Police Regional Command, was director of the PC [Central Penitentiary].

Custodio said ironically that he did not know that Carlos Arturo Reina, brother of President Carlos Roberto Reina, had all the powers in this country.

"If he wanted to benefit the military because of political interests, that is a personal choice. We are neither playing political games nor are we into demagoguery," he said.

Concerning the exhumations, he noted that the forensic report will attempt to establish whether traumatic fractures caused the death of businessman Adan Aviles Funez.

He described as indispensable yesterday's exhumation and the fact that it was authorized by the proper court. "We have tried to be very careful so as not to make unnecessary speculations," he indicated.

Holland Donates $8.6 Million for Debt Payment

96P20084A San Jose LA NACION in Spanish 6 Nov 95

[Received via Internet]

[FBIS Translated Text] Tegucigalpa, 6 Nov (ACAN-EFE) — Saturday [4 November], Honduran President Carlos Roberto Reina reported that Holland had donated $8.6 million to Honduras for the partial payment of its foreign debt to the World Bank.

"This greatly relieves us," Reina said. He also said that the donation is due to "the confidence Holland has in the Honduran Government's administration." According to reports from the Honduran Central Bank, Honduras has a foreign debt of $4,041 million, from both public and private debt.

The Reina administration is trying to arrange for the Paris Club to forgive approximately 50 percent of its bilateral debt—$1,303 million. The government has already obtained the endorsement of the International Monetary Fund (IMF) and the pledge of several friendly countries.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina

Former NCO Confesses To Participation in AMIA Case

PY0811232395 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1940 GMT 8 Nov 95

[FBIS Translated Text] Buenos Aires, 8 Nov (NA) — A former "painted face" noncommissioned officer [NCO] who confessed to having driven a vehicle in support of the Trafic van used as a car bomb in the attack on the AMIA [Argentine-Israeli Mutual Association] headquarters surrendered to the Federal Justice in Comodoro Rivadavia, in Chubut. Sources close to the investigation reported that the individual was taken to Buenos Aires, where he testified before Judge Juan Jose Galeano, the judge in charge of the case.

On 6 November former First Sergeant Pedro Ricardo Fonseca, 35, appeared voluntarily before the Comodoro Rivadavia Federal Court, headed by Luis Miguel Vila, where he said that he had participated in the attack on the Jewish center on 18 July 1994.

Judge Galeano questioned the former NCO in the most absolute secrecy until 0600 yesterday. The details of Fonseca's testimony are not known.

Today Galeano spent most of the day in meetings with case prosecutors Eamon Mullen and Jose Barbaccia. At the end of the day, he said only that "no new arrests have been made."

Galeano also recalled that in the course of the investigation into the attack, which left 86 people dead and more than 200 wounded, "thousands of anonymous testimonies" have been received.

It was known that former First Sergeant Fonseca — about whom we do not have further personal information — allegedly arrived in Comodoro Rivadavia from Chile, although the report could not be officially confirmed due to the strict secrecy imposed by Galeano.

During Fonseca's short stay in Comodoro Rivadavia — where he stayed from 3 November until his surrender on 6 November — it became known unofficially that he had allegedly received between $100,000 and $140,000 to leave the country.

With that money, the now "repentant" officer had allegedly been living in Brazil for the past few months until he decided to move to Chile, from where he reentered the country. He allegedly surrendered in Comodoro Rivadavia because he was afraid for his life.

In Comodoro Rivadavia, Fonseca was given a medical checkup, on orders of Judge Vila, to verify his physical and mental state.

The former "painted face" sergeant, whose last official destination was the 101st Battalion based in Villa Martelli, was transferred under strict security from Chubut to Buenos Aires aboard an Austral Airlines flight the same day he surrendered.

Spokesmen close to the investigation revealed that Fonseca testified before the judge hearing the case the same night, although details of the testimony were not revealed.

It was known, however, that Judge Galeano used all his influence to take all appropriate measures in order to guarantee the safety of the former NCO and maintain the confidentiality of all that he said while giving testimony.

Fonseca had allegedly driven a private car in the vicinity of the AMIA, located near 600 Pasteur Street; that private vehicle served to support the white Trafic van used to blow up the building.

Nevertheless, it was not possible to confirm whether or not Fonseca was linked to the driver of the van that caused the tragedy, or merely escorted the van after it left the parking lot at the intersection of Paraguay and Azcuenaga Streets for 633 Pasteur Street [the AMIA headquarters].

DAIA [Delegation of Argentine-Jewish Associations] head Ruben Beraja was among those to react first. He emphasized that the detention of the former NCO "confirms the local support" for the attack, a line of investigation pursued by Judge Galeano.

In remarks made at Government House, however, Israeli Ambassador to Argentina Yitzhaq Aviran was more cautious, and said he is "totally" unaware of the details regarding the NCO's detention.

A similar stand was taken by Hugo Anzorreguy, the Secretariat for State Intelligence (SIDE) head, who, after meeting Galeano, emphasized that "there is not a single element indicating 'painted face' involvement" in the AMIA attack.

If Fonseca's report is confirmed, the former "painted face" NCO's deposition would become Judge Galeano's most significant deposition in his investigation into the case, in which Carlos Telleldin has, thus far, been the only detainee. Telleldin has been detained for the crime of concealment.

For his part, Beraja admitted that he has been aware of the detention of the repentant "painted face" since yesterday, but noted that he was unable to secure more data due to the secrecy of the pre-trial inquest imposed by Galeano.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Beraja indicated: "I was aware of the fact that there was a lead in this direction, but I did not have other elements, let alone the name."

Last week Judge Galeano indicted six people for alleged unlawful association for criminal purposes. This unlawful association was headed by Alejandro Monjo, the owner of an automobile sales agency that sold the Trafic van used in the AMIA attack.

Judge Galeano's indictment reports the relationship existing between Monjo and Telleldin and the complicated web that permitted — by duplicating vehicles — assembling the white Trafic van that served as a car bomb.

While the entire investigation did not lead to any links with the perpetrators of the attack, it permitted the closure of the marketing chain involving the vehicle.

It had not been reported since 2 November whether or not Galeano had resumed any line of investigation, but yesterday he enigmatically said that he had remained "awake until 0700," without making any other remarks.

Judge Plays Down Confession

PY0811234295 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2059 GMT 8 Nov 95

[FBIS Translated Text] Federal Judge Juan Jose Galeano, who is heading the investigation into the AMIA [Argentine-Israeli Mutual Association] attack, today decided to play down the reports following the testimony of a former "painted face" first sergeant who confessed to having participated in the terrorist attack.

Despite the absence of accurate details on the former NCO's deposition, sources close to the investigation have indicated that Pedro Ricardo Fonseca, the "repentant" former sergeant, assisted in drawing up a composite picture of a person who "asked" him to serve as a support for the attack.

Nevertheless, the sources contacted said the facial features of the composite picture are so general that they might resemble those of "any Argentine citizen."

According to the sources involved in the investigation, Fonseca also had a "compulsive" need to travel to Buenos Aires. Therefore, the possibility of his fabricating the story to achieve this goal has not been ruled out.

Other sources alleged that "at no time" did Fonseca tell the court that he had participated in the attack. He actually said he was aware of details and people who might lead to a resolution of the case, which claimed the lives of 86 people.

In this regard, the sources indicated that Galeano's "anger" was prompted by his goal of protecting the identity of the former NCO, within the framework of requests made by Jewish organizations for Congress to approve the descriptions of "undercover witness" and "repentant person."

The judge would have preferred to await the results of psychological tests ordered by forensic experts to determine the degree of reliability of Fonseca's confessions.

Communist Party Reelects Echegaray Secretary General

PY0811195995 Buenos Aires TELAM in Spanish 2059 GMT 5 Nov 95

[FBIS Translated Text] Buenos Aires, 5 Nov (TELAM) — The Argentine Communist Party (PC) today reelected Secretary General Patricio Echegaray during the 19th National PC Congress. The congress also called for the "release of all political prisoners," including Enrique Gorriaran Merlo.

The 250 delegates to the congress approved with some minor amendments the so-called "nine papers" submitted as the basis for future political action.

The papers criticize former socialist bloc countries for having merged party and state apparatuses, and the ideological subordination of the Argentine PC to that of the former Soviet Union.

In his report to the party congress Echegaray stated that the collapse of the Soviet Union, "despite its authoritarian, state control, dogmatic, and bureaucratic deformities, was a severe defeat for workers all over the world, and for the leftist forces." He added that "socialism thus lost prestige in the eyes of the people."

He stated: "The socialist crisis is the result of many different factors such as the shortcomings of an approach that gradually estranged people from power and broke the class alliance on which it was built through measures like compulsory collective farms."

Echegaray criticized "the merger of state and party apparatuses, the development of bureaucratic relations, and the restrictions levied on democracy and on the concept of socialism as a society of free men, as Karl Marx used to say."

Echegaray paid honor to the memory of Ernesto "Che" Guevara and voiced his solidarity for Cuba and the rebels of Chiapas. He added: "I see this congress as the launch pad for resistance, popular unity, and the establishment of a leftwing political movement."

One of the strategies proposed at the PC congress is to take advantage of what the communists call the "explosion of the left" in order "to bring together

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

scattered forces into a National and Social Liberation Front."

Echegaray lashed out at party factions "that chose to simply fall in line with some of the system's political options," referring to Alejandro Mosquera's faction which chose to stay in the Grand Front when the PC severed relations with that alliance.

Echegaray also scored "partisan groups that do not play by the rules of the political game," referring to Jorge Pereyra's Marxist-Leninist Faction which calls Echegaray "a traitor to Marxist-Leninist principles."

Echegaray proposed an "assembly of resistance" against the "neoliberal approach" of the current administration. He proposed starting the work "at the grassroots level because some of the leaders of umbrella organizations such as the Argentine Workers Congress (CTA), the Argentine University Federation (FUA), and the Agrarian Federation, support Frepaso [Front for a Country in Solidarity], and the UCR [Radical Civic Union]."

Buenos Aires Votes For UN Resolution on Cuba Embargo

PY0811151695 Buenos Aires LA NACION in Spanish 3 Nov 95 p 1

[Article by Ovidio Bellando]

[FBIS Translated Text] For the first time since 1991, when the issue of the embargo on trade with Cuba imposed by the United States was raised at the United Nations, Argentina voted for lifting the trade embargo. The resolution was passed by 117 votes to three, with 38 abstentions.

Casting his vote on 2 November, Emilio Cardenas, the Argentine representative before the United Nations, explained the reasons why Argentina decided to no longer abstain from voting — as it had done over the last four years — and vote in favor of the resolution. He said the question could be considered a bilateral conflict and, notwithstanding the sanction imposed by the United States on Cuba (the situation has been maintained for 34 years), the objectives the embargo sought were not achieved.

Cardenas pointed out that for some time now, Cuba has been giving indications that it is furthering an economic opening. Argentina believes those endeavors should be supported by lifting the embargo so that this opening drive may also encompass — as it is wanted — democratic principles, respect for human rights, and freedom of the press.

The Argentine diplomat concluded his explanation by saying that despite its change of stance, our country will continue to insist on the need for Cuba to effect "more reforms" toward democratization and respect for human rights.

Argentina's vote in favor of the lifting of the embargo — which LA NACION announced on 30 October — is the logical consequence of the final declaration of the Fifth Ibero-American Summit of Heads of State and Government propounded by Argentina. Nevertheless, Argentina did not manage to secure, as it wanted, the inclusion of an amendment to the resolution voted at the United Nations on 2 November, which — along the same lines as the Bariloche declaration — would not only request the lifting of the blockade, but also urge Cuba to democratize the island.

Editorial Views Menem's Meeting With UK's Major

PY0811162095 Buenos Aires CLARIN in Spanish 3 Nov 95 p 18

[Editorial: "Relations With Great Britain"]

[FBIS Translated Text] President Carlos Menem's meeting with British Prime Minister John Major has been the result of continuing progress toward the normalization of relations between our country and Great Britain. In this context, the meeting can be described as a Foreign Ministry diplomatic achievement.

It is, however, hasty and controversial to sustain that such progress will have any effect on the discussion on the Malvinas Islands' sovereignty, even after the signing of the agreements for oil exploration in the South Atlantic.

The fact that there have been positive changes in Argentine-British relations during the past few years is undeniable. Thirteen years have passed since the Malvinas war and all trenches have been dismantled, all channels for dialogue restored, and there is mutual government recognition.

Based on this platform, the government strategy seeks to promote economic agreements through which it can build an exchange that might eventually lead to a discussion of the main issue in dispute.

However, neither the improvement of diplomatic relations nor the understandings for the exploration of natural resources in the Malvinas region have produced any benefit for our country's claim.

The image the administration projects is the one of a man walking on a treadmill or cycling on a stationary bicycle. All shown achievements are based on such a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

marked acceptance of the exclusion of the issue of sovereignty that might, in the long run, prove counterproductive for our country's interest and might encourage the island inhabitants' speculations on independence.

The Menem-Major summit in New York last week represents, then, the closing of a chapter, a chapter that needed closing for a long time, which is welcomed, more than the opening of a new cycle for the discussion of the main points in the conflict involving both countries.

Brazil

President Views Prospects for Reelection

PY0711004295 Rio de Janeiro Rede Globo Television in Portuguese 1515 GMT 6 Nov 95

[FBIS Translated Text] Communications Minister Sergio Motta returned today to his office in Brasilia and he is already taking steps to seek congressional approval for an amendment that would pave the way for President Fernando Henrique Cardoso's reelection. The amendment envisages the reelection of the president of the Republic, state governors, and mayors.

The amendment was proposed by Deputy Mendonca Filho, PFL [Liberal Front Party] of Pernambuco State. Mendonca Filho said his proposal is being resisted by opposition members, who do not want President Cardoso to be elected for another term; by government allies who already have candidates for Cardoso's succession; and by congressmen who are planning to seek mayoral seats in the 1996 municipal election.

Party blocs have already appointed the members of the special congressional committee that will study the reelection amendment during a 40-day period. It will now be incumbent upon Deputy Luis Eduardo Magalhaes, president of the Chamber of Deputies, to determine when the committee members will be installed. For the second time this year, Magalhaes is now serving as acting president of the Republic.

Magalhaes, who endorses Cardoso's relection, today met at Planalto Palace with Communications Minister Sergio Motta.

Even during the period of his convalescence, and despite President Cardoso's instructions that cabinet ministers refrain from engaging in the negotiations, Motta took actions to coordinate efforts to obtain approval of the reelection amendment. Tomorrow, Motta will meet with the presidents of the Chamber of Deputies and of the Senate and with pro-government bloc leaders.

[Begin Motta recording] I believe it would be appropriate to pass the reelection amendment. I believe this is an appropriate time to propose it. Yet, the entire process will be run and coordinated by Deputy Luis Eduardo Guimaraes, by Senator Jose Sarney, and by the Congress. [end recording]

In Buenos Aires, President Cardoso said he is not concerned about his reelection. Reporter Marcelo Canellas has more from Buenos Aires:

[Begin Canellas recording] As soon as he arrived at the Buenos Aires military airport, President Cardoso denied any government effort to coordinate congessional approval of the amendment that would pave the way for his reelection. He said he is not thinking about that now, and that his efforts are fully focused on obtaining approval of the constitutional reforms that are of interest to the nation.

Cardoso also stated that it is not Communications Minister Motta's job to discuss the reelection issue.

This morning Cardoso met with a group of Argentine businessmen at the Brazilian Embassy in Buenos Aires. The businessmen are interested in the privatization process of Brazilian state-owned companies. Then, Cardoso attended the opening of the summit of heads of state and government of the G-15, which consists of developing countries from Latin America, seven; from Africa, five; and from Asia, three. The summit is expected to yield international economic cooperation agreements and to release a document against poverty and unemployment. [end recording]

Editorial Views Political Role of Landless People's Movement

PY0911100995 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Nov 95 p A3

[Editorial: "The New Political Protagonist"]

[FBIS Translated Text] No one, let alone the Sao Paulo State officials, can deny that the actions of the Landless People's Movement (MST) have created an unexpected crisis within the Fernando Henrique Cardoso administration. Despite the silence that surrounds the issue, the symptoms of this crisis have been felt for some time now already, even before the presidential elections last year, when the MST leaders reported that they were ready to conduct a determined number of land-occupation operations during 1995. The effects of the Real Plan and the PT [Workers Party] internal crisis cooled the land-occupation impetus. These two factors, however, were not enough to alter the movement's willingness to occupy unused public land tilled by private people, or privately owned land that the MST deems unproductive. Currently, the MST is a first-rate star on the national political scene, be it for the legal settling of land invaders; their remaining on occupied land; or

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the government officials' belief that respect for the law must not be imposed and that, instead, land occupation must be accepted and the situation negotiated.

Due to the aforementioned reasons, as well as other factors, the MST national board has obtained unquestionable political achievements as a result of the land occupation policy. Federal and state government officials, particularly the former, have not realized how harmful the acceptance of violations of the law can be for the legal order of the country, because this juridical order, whether we like it or not, is based on a certain idea of hierarchy and order.

We must also recognize that, side by side with the "right to the land" banner, the landless people and those who support their cause have made good profit from the lack of training and outrageous acts resulting from lack of discipline that have been perpetrated against land invaders, be it through hired gunmen, private individuals, or even military policemen. No administration can long tolerate being charged with a large number of landless farmers' deaths (according to the MST coordinating board at Pontal de Panarapanema, the number already totals 1,700), particularly when it is interested in restoring its proper image abroad, that of a country that respects human rights and fights for social progress. They have also made good profit from the discovery that, as a result of the government's federative structure, nothing ostensibly can be done in order to punish those responsible for the Corumbiara massacre. The only thing the government can do is to silently listen to a nun of the Mirante do Paranapanema diocese say at the Pirapozinho court: "I ask the Lord to forgive us for the sins of our governing officials who do not commit themselves to the workers' struggle."

The result of the charges being hurled at this federal government, as if it were responsible for the Corumbiara massacre and the 1,700 deaths (many of which have never been confirmed), is that the executive branch no longer has the means to measure the necessary relation that there must be between goals and means, let alone to seek popular identification with its actions in order to overcome resistance and to implement a correct agrarian reform policy within the political framework of authority and respect for the juridical order. This is the outline of the crisis that has been taking shape throughout the years, the seriousness of which is only now becoming evident.

The executive branch is the first to suffer the consequences of this crisis, in part because it is the political target of these actions. The president of the Republic's intervention in the National Land Reform and Settlement Institute [Incra], which placed the agriculture minister in a difficult situation, and the clear friction between Agriculture Minister Andrade Vieira and Incra President Francisco Graziano Neto (who without the knowledge of the agriculture minister is inviting a PT militant to occupy important positions at the Incra, although he is doing that at a personal level, inspired by a longstanding friendship) are signs of the wear-and-tear process the federal government has been trying to hide. Nevertheless, these signs are evident when it is learned that the Incra and the Bank of Brazil have reached an agreement, as we have reported on 2 November. The great victim, however — particularly after the preventive arrest of four MST leaders at Pontal do Paranapanema had been ordered, and we mustn't forget that one of the arrested leaders is a woman — will be the judicial branch. In the demonstration staged in front of the Pirapozinho court on 2 November, one of the MST coordinators held the judicial branch responsible for "not arresting " those who had ordered the murder of landless people and the murderers themselves over the past two decades. It is not only the workers' leaders (we all know very well that all kinds of people participate in these land occupations, even landless rural workers) who do not distinguish one thing from the other. In their haste to show solidarity toward the "pursued ones" and the "victims of injustice," 100 deputies have reportedly signed a document, which was sent to the Pirapozinho judge, asking him to suspend the preventive arrest warrant. According to one of the items of the signed petition, the warrant was "arbitrary." Among these more than 100 signatures are those of leaders of the government-supporting bloc in Congress. We must add to all this that the landless people's demands are met by the government officials, undoubtedly a little late, but always in accordance with preestablished plans (this is the official explanation for the events). In the opinion of the government officials, the landless people can advance, but the government will never retreat....

Movement Operates Like 'Large Company'

PY0811161895 Rio de Janeiro O GLOBO in Portuguese 5 Nov 95 p 12

[Article by Rodrigo Franca Taves: "Landless Inc., a Large Company"]

[FBIS Translated Text] The Landless People's Movement (MST) is organizing the invasions of farms nationwide based on a strong entrepreneurial structure. Far from limiting itself to agricultural production, the MST owns a jeans factory in Dionisio Cerqueira (SC) [Santa Catarina]; two slaughterhouses that include cold storage facilities for cattle and pigs in Parana State; a company that processes and packs 20,000 liters of milk per day in Sarandi (RS) [Rio Grande do Sul]; a coffee roasting

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

establishment in Pedro Canario (ES) [Espirito Santo]; and even a company that has exported 2,000 tonnes of mate to Germany.

The MST also controls the production of 135,000 families in 1,380 settlements spread out through 22 states. It owns 50 agroindustrial facilities that produce corn by-products like cornmeal, corn starch, grated corn; processed rice and cassava; and extract the pulp of fruits like cashew and acerola. One Rio Grande do Sul facility produces 60 percent of all the carrot and coriander seeds sold nationwide; another facility sells peaches in boxes and in syrup to the main supermarkets.

To manage all this production, the MST has set up an structure that is envied by major Brazilian rural companies. The Brazilian Confederation of Agrarian Reform Cooperatives (Concrab), which was created by the MST in 1992, manages eight major cooperatives operating at state level which also manage 78 agricultural cooperatives operating in settlements, and six regional marketing cooperatives. The MST chart includes 93 organizations engaged in production and sales.

The income generated by cooperatives is distributed directly among their members. To support the MST leaders who stopped farming the land to engage in the organization of settlements, the MST collects 1 percent of the production of each family and up to 3 percent of the funds received through government-financed projects, such as Procera, a special line of credit granted by the Bank of Brazil.

Families of each settlement make monthly payments to coordinators in each state, who in turn pass the money on to the MST secretary in the state. Some 5 percent of this is then transferred to the MST national secretariat. As the money passes through many hands, no MST member fully knows the overall MST budget. The MST also receives funds from abroad, but Gilberto Oliveira, the MST coordinator in Brasilia, said these contributions are very meager.

Private TV Station To Launch Satellite

PY0811151195 Sao Paulo AGENCIA ESTADO in Portuguese 1926 GMT 7 Nov 95

[Report by Milton F. da Rocha Filho]

[FBIS Translated Excerpt] Sao Paulo, 7 Nov (AE) — The first satellite owned by a Brazilian television station will be launched on 14 December. It belongs to Direct TV of the Abril Group, which is associated with Hughes Communications, with the Cisneros Group of Venezuela, and with Multivision of Mexico. Direct TV is engaged in a direct dispute with Globosat to win the Brazilian satellite TV market. Christopher Henry Raborg, director general of Direct TV, said the idea is to obtain 80,000 suscribers nationwide by March 1997. The overall investment totals $1 billion.

CCE of Brazil [expansion unknown] formed a partnership with the French company Thompson, which owns the RCA Victor trademark, to manufacture decoders that will enable a subcribed viewer to access more than 100 stations carried by Direct TV. These decoders are already being manufactured at a new factory located in Manaus. Raborg believes that each customer will pay 800 reals [R] for a set of one antenna of 60 cm in diameter and one decoder, in addition to R38 monthly in subscription fees. [passage omitted]

Senate Approves Oil Monopoly Amendment in Second Voting

PY0911005395 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 8 Nov 95

[Report by Flavio Figueiredo in Congress]

[FBIS Translated Text] The Senate approved, in a second round of voting, the constitutional amendment that ends the government oil monopoly. Today was a day of victory for the administration in Congress. By a vote of 60 to 15, the Senate approved, in a second voting round, the amendment that ends the government oil monopoly and allows private initiative to participate in the prospecting, refining, and distributing of oil. The amendment now has to be promulgated by Congress President Senator Jose Sarney.

The Senate also approved, in a second round of voting, the constitutional amendment creating the Provisional Contribution on Financial Movements [Contribuicao Provisoria sobre Movimentacao Financieira] for the health system. By a vote of 60 to 12, the amendment, which must still be submitted to two rounds of voting in the Chamber of Deputies, envisions a 0.25 percent contribution on all banking operations. It is estimated that this contribution, which will be effective for two years, will raise 6 billion reals per year for the health system.

The bill extending the Social Emergency Fund [FSE] was voted on today in the Chamber of Deputies. Its most controversial article, which envisioned the withdrawal of 1.5 billion reals from the FSE, was eliminated. The bill must still be submitted to a second round of voting in the Chamber of Deputies on 21 November.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Banks To Commit Loans to Environmental Preservation

PY0911023995 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 7 Nov 95

[Passages between slantlines recorded]

[FBIS Translated Text] President Fernando Henrique Cardoso announced the Green Protocol, which is an environmental protection policy unheard of before. Today, in his weekly radio program "A Word From the President," Cardoso said that as of next week, federal banks will commit themselves to only finance projects that do not harm the environment:

/The Bank of Brazil; the National Bank for Economic and Social Development, BNDES; the Bank of Amazonia; the Banco do Nordeste; and the Federal Savings Bank are currently granting annual loans worth a total of 22 billion reals. When analyzing a project for a loan petition, bank managers take into consideration whether it will yield a profit, the financial situation of the borrower, and the repayment capability. However, bank managers do not ask whether the project will harm the environment because this is not part of a credit policy.

/The government cannot continue lending all this money to people who only think of profits while our rivers are being destroyed, our land is becoming less fertile, and the air we breathe is being polluted./

The president explained that the granting of farming loans will also depend on environmental preservation considerations:

/A bank manager will authorize a loan only if the farmer uses planting techniques that do not harm the soil, if he does not burn the vegetation in his planting area to prepare the soil, and if he protects the environment. What is more, the loan will only be disbursed to individuals or companies that do not have pending debts with the IBAMA [Brazilian Institute for the Environment]. If they do have a debt, they will be included in the Central Bank Register of Nonpayers, and they will not be eligible to receive loans./

According to Cardoso, all the federal bank agencies will have an office specialized in environmental concerns and issues:

/This new policy will not be implemented from one minute to the next. We will allow some time for environmental education, to train the people who work in the banks. Every branch of the five official banks throughout the country will have an office specialized in the environment.

/There are currently approximately 6,000 bank branches. Therefore, we will have a real army for the defense of the environment./

President Cardoso concluded his radio message by expressing his confidence that projects like the Green Protocol will guarantee the quality of life of future generations:

/We want to expand our resources in the environmental field rather than just provide the banks with another argument to reject loan petitions. We want to prevent environmental damage. There is still time. We can save this immense country from the destruction that took place in many other countries. Our quality of life will improve, and future generations will thank the current generation that began this effort./

Brazilian Disrespect for Trade Agreements Noted

PY0811203595 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 7 Nov 95

[Report by Ana Paula Padrao in Brasilia]

[FBIS Translated Text] The lack of definition of a Brazilian foreign trade policy is generating problems for the administration. Disrespecting international trade agreements can make Brazil lose credibility abroad.

When closing deals with other countries, the Brazilian shortcut [jeitinho] does not work. Brazil is learning this the hard way: It is repeatedly being embarrassed for disrespecting many international agreements.

June 13: Brazil establishes import quotas on cars, a practice condemned by the WTO. Result: A slap on the wrist and a retreat by the Brazilian Government which was forced to eliminate the quotas.

In an attempt to continue to protect the Brazilian car industry, the government disrespected another agreement.

October 23: The economic team totally ignored the agreement with the Mercosur [Common Market of the South] establishing a reduction of import tariffs. Brazil then announced that import tariffs on cars will continue being 70 percent in 1996.

That is not all. June 30: Deadline for presenting Brazilian export-import promotion policy before the WTO. Brazil simply failed to meet the deadline. It is difficult to explain why.

[Begin recording of Industry and Commerce Minister Dorothea Werneck, identified by caption] I do not know why. I am being very sincere. I do not know. Perhaps because it is the first year of the WTO. [end recording]

No one in the Esplanade of Ministries knows how this confusion in the Brazilian foreign trade policy began.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The ministries blame each other. The person responsible is always the neighbor next door or across the street [referring to the location of the ministries along the ministerial esplanade in Brasilia.

International analysts believe Brazil should not be regarded as a stable country unless it is also considered a reliable country. In other words, there is no use in President Fernando Henrique Cardoso's travelling so much to make Brazil known abroad if he cannot organize the actions of his ministers at home.

Reserves Hit Record $48.7 Billion

96SM0009A Sao Paulo GAZETA MERCANTIL in Portuguese 23 Oct 95 p A5

[Article by Ivanir Jose Bortot: "Reserves Beat Historical Record"]

[FBIS Translated Text] Brasilia—Brazil's reserves from the standpoint of international liquidity have reached a historical record of $48.7 billion, making it possible to finance all of the country's imports for 12 months. The reserves increased by $1.053 billion between August and September of this year.

Officials at the Central Bank [BC] expect the level of reserves to remain stable in October thanks to external payments and the slow influx of capital. Brazil has made external payments on the order of $2.2 billion this month. It paid $410 million to the Paris Club. Guarantees under the terms of the external debt accord negotiated in 1992 plus actual payments exceeded $1.8 billion.

Considerably less foreign money was attracted in September. Only $4.6 billion entered Brazil, reflecting a decline of 38.2 percent compared to August. "There was a large drop in the influx of loans in currency and portfolio investments (shares and other securities and notes)," said Altamir Lopes, head of the BC's Economic Department.

Direct investment by foreign firms, on the other hand, grew along with the volume of import financing and the amount of money attracted to finance agriculture. Portfolio investments fell from $3.564 billion in August to $1.797 billion in September. Nothing was invested in fixed-income funds in September. Investments totaled 41 billion reals in August.

Foreign investment in privatization funds dropped from $484 million in August to $62 million in September. Even so, the balance in portfolio investments from January through September totaled $16.6 billion. Altamir Lopes said that contributing to the slower inflow of such investments were the measures adopted in August making it impossible to invest foreign money in the futures markets. The market's expectations regarding the tax treatment to be accorded foreign capital invested in the stock market is said to be another factor causing investors to withdraw.

Funds attracted in the form of commercial paper, bonds, and notes dropped from $1.6 billion in August to $449 million in September. Despite that decline, the balance of investments for the year is above $7.3 billion.

Long-term financing for imports, on the other hand, continued strong in September. The Central Bank's records show that import financing operations totaled $576 million and that early payments for exports totaled another $518 million. Those two types of financing are both long-term operations, with terms exceeding two years. The balance of import financing operations and early payment for exports for the past nine months totals $5.8 billion.

External financing for agroindustrial activity accounted for the influx of another $383 million last month. What surprised the Central Bank's analysts most was the inflow of $379 million in direct investment in September. The figure in August had been $262 million. The higher financial operations tax (IOF) on fixed-income investments contributed to a significant reduction in the inflow of foreign exchange for investment at floating interest rates.

The inflow of foreign exchange of that type, consisting of funds applied through CC-5 (Circular Letter No. 5) accounts, totaled only $32 million. The net inflow for the last nine months was $1.5 billion. Foreign exchange contracts at unregulated interest rates totaled $1.5 billion during September. There was a consistent surplus of $1.4 billion in commercial operations. Financial operations ended up with a balance of only $72 million in September compared to $4 billion in August.

The foreign exchange surplus generated at unregulated rates and the effects of actions by the banks to adjust their foreign exchange positions resulted in a net supply of foreign exchange compatible with the monetary policy that was being pursued. International reserves ended up at $46.6 billion in cash and $48.7 billion in terms of international liquidity.

States' Financial Woes Add to Deficit

96SM0009B Sao Paulo GAZETA MERCANTIL in Portuguese 23 Oct 95 p A3

[Article by Claudia Safatle: "Deficit Will Exceed One Percent of GDP"]

[FBIS Translated Text] Brasilia—This year the gross domestic product (GDP) will show an operating deficit

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of from one to two percent in the consolidated accounts of the public sector, as Jose Roberto Mendonca Barros, secretary of economic policy in the Ministry of Finance, now admits. The economic area has abandoned its hope of reversing that picture and achieving fiscal equilibrium, mainly since being surprised by the havoc in state and municipal accounts.

"The crisis in the states has to do with cash flow, not balances, and it will probably grow considerably worse over the next 30 to 60 days," he told this newspaper. The reason is that all the measures that the governors could take and have taken—such as delaying payments to their suppliers and the payment of salaries—have an effect only once. In addition, under the law, Budget Revenue Advances (ARO's) must be repaid before the end of the calendar year.

Adding payment of the 13th month of salaries to that leads one to the conclusion that renegotiation of the debt balance, which is now being discussed with the Federal Government, is important but will not eliminate the bottleneck in cash flow. Besides emergency loans from the Federal Government, the short-term need of the states is to regain their ability to seek financing, and that will happen only if they can send some important signals to the economic agents in general and the market in particular. Approval of administrative reform is one of the signals that he says is absolutely necessary in order to stir expectations, and for that reason, the debate in Congress "must become more lively," he believes.

"Giving the states power to reduce their payrolls without the danger that those dismissed will go to court and reverse the situation would itself be an important indicator influencing the market to resume its financing of the governments," Mendonca de Barros says. He quotes Robert Lucas, winner of the Nobel Prize in economics and author of the theory of rational expectations, in support of his argument that the market is already working in anticipation of the effects that approval of those measures will have.

Looking at the data today, Mendonca de Barros admits that the economic team misjudged the fiscal problem that would result from the cash position of the states. He was literally taken by surprise when the first reliable data began showing up in August concerning the performance of public accounts during the first half of the year.

Today the indicators show that the operating deficit (calculated on the basis of the financing requirements of the union, the states, and the municipalities, including government-owned firms and social security but disregarding the effect of inflation on that financing) was 1.5 percent of GDP in August.

From January through August, the states and municipalities accumulated a deficit totaling 2.5 percent of GDP from the operating standpoint and four percent of GDP using nominal methodology (which takes into account monetary and exchange correction of the remaining balances of the financing obtained). The only reason the result was not worse was that the union and the government-owned firms were able, thanks to their operating surpluses, to offset the deficit produced by the governors and mayors.

"We all knew that stability would cause an increase in demand and a loss of float (meaning the effect that high inflation has on cash). What we did not foresee, however, was that the loss of float would be so devastating," the secretary said. "Last year, before the elections, state employees received pay raises on the order of 30 percent. Those nominal increases turned out to be real, since inflation did not eat them up."

In other words, "stabilization wiped out one trick of policymaking" that had taken root in public administration after years of high inflation. Today, "it is no longer possible to be generous with the nominal budget on the eve of elections," he said.

Although fiscal blundering is a chronic problem that has been persistently ignored in all previous attempts at stabilization, Mendonca de Barros guarantees that this time, the heart of the problem has been reached. There is no longer any way to push it out aside—the governments have no leeway for getting around it without getting to the root cause of the imbalance by cutting payrolls and getting their assets properly straightened out.

"The best scenario in the short term will be painful," says the secretary, who is one of the administration's principal formulators of economic policy today.

Growth of Four Percent Jeopardizes Employment

The effects of maintaining a low inflation rate go beyond the fiscal issue. There is a set of problems on the economic area's agenda, and one of them—unemployment—is potentially explosive.

Mendonca de Barros' assessment of the situation accords with the fears expressed by Deputy Maria de Conceicao Tavares (PT [Workers Party], Rio de Janeiro) and with the predictions by Deputy Delfim Netto (PPB [Brazilian People's Party], Sao Paulo). That is, that the big obstacle to the country's economic growth over the next few years will be the balance of payments.

The level of Brazilian exports means that the government must somehow restrain imports so as to bring the deficit on the current account down to a size that can

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

be financed. There is no way to increase exports in the short term. Doing so would be possible only with subsidies and a sizable injection of foreign exchange, and both those instruments have been completely ruled out by the government—because the National Treasury does not have the available funds and because foreign exchange is one of the anchors of the Real Plan.

In the final analysis, shoring up imports means limiting the possibilities for growth in the economy, especially in today's circumstances, in which "it is no longer possible to finance the level of activity with the exchange rate, on the one hand and, on the other, the forced formation of savings promoted by the inflationary tax," the secretary emphasized.

Since the growth rate being forecast for the next few years of Fernando Henrique Cardoso's administration—from four to five percent per year—is, according to Mendonca de Barros, not enough to absorb the supply of manpower in addition to productivity gains, the probability is that the president of the Republic will end his term with stable inflation but with an unemployment level substantially higher than when he took office.

The problem of unemployment is already being looked at by the administration's economists, and last week a debate with Minister of Labor Paulo Paiva began on what the administration should do to alleviate the problem and how to go about it.

Public Debt Rises to R75.1 Billion

96SM0009C Sao Paulo GAZETA MERCANTIL in Portuguese 23 Oct 95 p B1

[Article by Ivanir Jose Bortot: "Public Debt Growing Rapidly"]

[FBIS Translated Text] Brasilia—The monetary and exchange policies adopted by the Central Bank [BC] caused the federal securities debt to rise by 26.5 billion reals between July and September of this year. During the same period, Brazil's reserves rose by 15 billion reals in terms of international liquidity. This means that in less than three months, the government increased its indebtedness by about 11.5 billion reals.

"The increase in debt results from the need to mop up the liquidity in the economy and maintain control of foreign exchange," said Altamir Lopes, head of the BC's Economic Department. The lack of a consistent fiscal policy on the part of the union, states, municipalities, and government-owned firms has been leading the BC to pursue a restrictive monetary policy with high interest rates.

The lack of fiscal adjustment is the obstacle in the path of those formulating monetary policy. Studies by the BC itself reveal a public sector operating deficit of 3.3 percent between January and August 1995. The economic team's goal was to eliminate the deficit this year. The accounts of the states and municipalities show an operating deficit of 2.5 percent, and that in state and federal firms totals 0.3 percent.

"Personnel costs have had a big impact, and the end of inflation eliminated the scope that existed for making budget cuts," said Altamir Lopes. State and federal firms had an operating deficit of 0.3 percent during those first eight months of the year.

The difference between domestic and foreign interest rates helped to attract a high volume of foreign investment between July and September. The BC was forced to issue securities in the market to remove the reals that had been exchanged for dollars entering Brazil.

Brazil's reserves jumped from $33.7 billion at the end of June to $48.7 billion in September. That growth has two drawbacks from the standpoint of public accounts: the return on investment of the international reserves amounts to about five or six percent per year on the international market. The domestic cost of interest on government securities issued in the market to eliminate the expansionary effect of the influx of dollars amounts to 3.1 percent per month.

In September alone, according to preliminary studies by the BC, there was an increase of 7.9 percent in the securities debt. The federal securities debt rose from 69.6 billion reals to 75.1 billion reals, not including state and municipal securities that are being replaced by LBC-E's (special Central Bank bills). The BC is issuing about 23.3 billion reals worth of LBC-E's to replace state and municipal securities.

Even with that exchange of securities, the states and municipalities are suffering the impact of the policy of high interest rates. State and municipal debt rose from 29.7 billion reals at the end of June this year to 33.2 billion reals in September. Most of that debt (26.1 billion reals) is in the BC's portfolio—that is, it consists of state and municipal securities exchanged for LBC-E's. Only 7.1 billion reals are being rolled over in the market by the states and municipalities.

Most of the securities debt owed by the states is owed by Sao Paulo State (a balance of 13.4 billion reals) and the Sao Paulo city government (3.6 billion reals). Sao Paulo State also owes another 431 million reals that it borrowed from financial institutions in Budget Revenue Advance (ARO) operations and long-term loans. Minas Gerais owes 6.3 million reals in securities debt, Rio Grande do Sul 4.7 billion reals, and Rio de Janeiro 4.2 billion reals.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Influx of Foreign Capital on Rise

96SM0009D Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Oct 95 p B1

[Article by Odail Figueiredo and Beth Cataldo: "Influx of Capital Now Totals $38 Billion"]

[FBIS Translated Text] New loans alone have reached $11 billion, and external savings are returning to their 1970's level.

Brasilia—The stability of the economy and the country's new opportunities for growth are attracting a growing share of foreign money to Brazil. From January through September, according to data from the Central Bank, $38 billion entered the country, including direct investments, investments in the financial market and the stock market, loans in currency, and miscellaneous financing.

New loans alone have reached $11 billion, an indication that at least in that sector, external savings are back to the same proportion they represented in the 1970's, when the country was attracting an average of $15 billion per year in the international banks.

That loan binge led to the foreign debt crisis and the economic stagnation of the 1980's, but no one in the government expects that process to repeat itself now. "The world and Brazil are different from what they were 20 years ago," argues Jose Roberto Mendonca de Barros, secretary of economic policy in the Ministry of Finance.

According to him, the government used the government-owned firms to borrow money that was actually intended to finance large deficits in the balance of payments—the difference between the amount of money entering the country and that leaving it during a specific period, including both foreign trade and financial movements. The deficits have now been reduced, and most of the money coming in is being attracted by private firms.

Moreover, capital is now entering the country in more varied ways than in the past. The chief mechanism used by the firms to attract foreign money has consisted of issuing bonds either directly or through banks.The total during the first nine months of this year was $6.7 billion, compared to only $645 million in bank loans. Bonds are securities that are issued for a specific period of time as guarantees for loans by foreign investors.

According to Central Bank data, the beneficiaries of most of those transactions were private firms, but the public sector has also been seeking to take advantage of the favorable situation in the market. By means of one operation in Japan and another in Germany, the National Treasury has already attracted $1.8 billion this year, and at a lower cost than would have been the case by selling securities on the domestic market.

Mercosur Partners Assess Accord

96SM0009E Sao Paulo GAZETA MERCANTIL in Portuguese 23 Oct 95 p A3

[Article by Sandra Gomide: "Mercosur Accelerates Business"]

[FBIS Translated Text] Sao Paulo—Big Brazilian and Argentine firms are optimistic about the increase in business among the Mercosur [Common Market of the South] countries but believe that actual integration of the four partners will probably come about only in the medium and long term. A survey of 1,000 companies by the Price Waterhouse consulting firm reveals that Argentines show more enthusiasm than Brazilians when it comes to the possibility of an influx of foreign investment, which will probably be of benefit mainly to medium-sized firms.

The Argentines have done more business since the Mercosur accord was signed, but they are still unsure about the consequences of political conflicts arising out of isolated actions by the bloc's partners. A typical case mentioned in the survey is the Brazilian Government's imposition of import quotas on automobiles in an attempt to create equilibrium in its trade balance, which had been showing consecutive deficits.

At least 46 percent of the Argentine businessmen who answered the questions in the survey believe that conflicts of that kind could affect the influx of new investments. On the Brazilian side, only 24.3 percent think that might happen.

According to the survey, the treaty has been of more direct benefit to the Argentines than to the Brazilians. About 65 percent of the Argentine firms said they had increased their business since the introduction of Mercosur, while only 43 percent of the Brazilian firms reported that result. "A lot remains to be done to expand the accord, but the main thing is stabilization of the economies of the partner countries," says Amoreti Franco Gibbon, a partner in Price Waterhouse.

One of the largest Brazilian companies active in Argentina, Paraguay, and Uruguay is Arisco, a food manufacturer that has maintained a trade office in Buenos Aires since 1991. "Since then, a lot of things have changed. Transactions have become less bureaucratic, and tariffs have dropped considerably," Virgilio de Souza Andrade, Arisco's marketing manager, points out.

The firm is focusing on that market. A little over two weeks ago, it announced its purchase of the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentine company Copise, one of the largest olive oil manufacturers in Mendoza Province. "There is room to expand sales and production, but the countries still need to straighten out their economic situation for that to happen," says Andrade.

The main difficulties hampering integration among the partners in the economic bloc are still common complaints among businessmen. According to those surveyed, the biggest problems on the Brazilian side are centered on the high tax burden, differences in customs tariffs, and the exchange policy, as well as the economic policies adopted by the countries. For their part, the Argentines add to that list the economic instability they foresee for the medium term and the tax policies of the partners.

Chile

Foreign Minister Meets Argentine, Peruvian Counterparts

PY0911021595 Santiago EL MERCURIO in Spanish 11 Nov 95 p C5

[Report by special correspondent to Buenos Aires Maria Jose Errazuriz L.]

[FBIS Translated Text] In Buenos Aires, Chilean Foreign Minister Jose Miguel Insulza, together with his Peruvian counterpart Francisco Tudela and Argentine Foreign Minister Guido Di Tella, discussed the issues pending on the bilateral agendas with Peru and Argentina.

Insulza, who returned to Chile last night, voiced his satisfaction over the two meetings held with his counterparts. As a result of the meetings, discussions will be resumed over treaties pending ratification: the Lima Convention with Peru and the Southern Glaciers with Argentina.

Insulza, who met with Di Tella backstage in the Colon Theater, disclosed that in April 1996 President Frei will probably make an official visit to Argentina accompanied by a large retinue of businessmen. This visit should have taken place in August, but was postponed, among other reasons, because the final ruling over Laguna del Desierto was pending. The Arbitration Court ratified Argentine sovereignty over that zone.

Regarding the Southern Glaciers Treaty — whose approval by the Argentina and Chilean congresses is still pending — they discussed how to reactive discussions on the issue, which would materialize next January or March, once the new Argentine Congress is established and the recess in the Chilean Congress ends.

Insulza said: "The treaty has been submitted to the congresses. This is where the concrete steps must take place, but the idea is to promote them jointly, albeit not simultaneously, without either of the two congresses trying to advance approval ahead of the other. [no end quotation marks as published]

Insulza asserted that neither of the two countries has thought about the possibility of either congress rejecting the treaty on the Southern Glaciers. He said: "We have not thought about the possibility of a setback."

Insulza also said that the Mercosur [Common Market of the South] member countries will step up their efforts during the three rounds of negotiations that will take place in November with the purpose of reaching an agreement in early December.

He asserted that progress has been made in reducing the list of exceptions, and declined commenting on the possibility of tariffs between Chile and Mercosur dropping to 8 percent. He said that that is an Economy Ministry affair.

With Peruvian Foreign Minister Francisco Tudela, Insulza discussed the upcoming meeting, scheduled for January, of the South Pacific Permanent Commission on Easter Island. During this meeting, the French nuclear tests in Mururoa Atoll will be discussed, among other issues.

Regarding the Lima Conventions, he said that during the next two months Alberto Fujimori's administration may give the Chilean administration a definite answer regarding Peru's position on the issue.

Pinochet Warns About Communism, Denies Candidacy

PY0811151395 Madrid EFE in Spanish 1549 GMT 7 Nov 95

[FBIS Translated Text] Bariloche (Argentina), 7 Nov (EFE) — Chilean Army Commander Augusto Pinochet stated today that communism "remains latent" in the world and that he does not intend to become a candidate for president of the Republic in the next elections.

"That is an absolute lie. I do not lie. I have no political aspiration and I am not a man of candidacies," Pinochet said in the southern Argentine town of Bariloche where he is attending the 21st Conference of American Armies (CEA).

The Chilean Army Commander and former president said he spoke to the CEA about "the still prevailing danger of communism." He said: "The Marxist-Leninist ideology remains latent, although with a different face, with a democratic face willing to attract the people."

Pinochet said that Marxism "is like a monster with seven heads; one head is cut off but six remain; another head is cut off and five remain."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Nevertheless, he decided not to mention what proposals he submitted to his American colleagues, because many of the issues being discussed in Bariloche "are confidential."

Moreover, the Chilean Army commander said that in Bariloche he met with his Argentine counterpart, General Martin Balza "with whom we have always had good relations and good friendship."

Argentina and Chile were on the brink of a war in the beginning of 1978 over the Beagle Channel, a conflict which was solved through a peace treaty the two countries created following the mediation of Pope John Paul II.

In August 1990, the democratic governments of the two countries signed an agreement to solve 23 of the 24 pending border conflicts existing for almost a century.

Pinochet was consulted on the possibility of Cuba joining the CEA in the future, a question he answered with the explanation that he was expressing his personal opinion.

"Cuba maintained permanent attacks, it was the shelter of refugees, it sent weapons to Chile, it sent 60 tons of rifles, explosives, and other things," he answered upon hinting that for him things have not changed in that Caribbean island.

Pinochet, who was the head of the Chilean military regime between 1973 and 1989, has just completed a reform in the Chilean Army, whose members will receive a salary increase of 14.5 percent, several points above the increase that will be granted to state civilian employees.

According to Pinochet, the main challenges of the state-nation, central issue of the conference that gathers the commanders of armies from 24 American countries, stem from "very different" conflict possibilities, among which the following stand out: "the internal, the neighborhood, the conflict abroad, and the futuristic" war possibilities.

Concerning human rights violations of which the Chilean military chiefs are accused, he said that those who speak about missing people forget that "there was a war declared by decree and by law."

"Human rights are the communists' fighting banner," he added, to avoid expressing an opinion on a bill related to this issue that the Chilean Congress is currently examining."

Pinochet is one of the military chiefs most sought by the press in this conference in Bariloche, a beautiful winter tourist center located at the foot of the Andean Mountains, 1,700 km south of Buenos Aires.

Government Submits Human Rights Agreement to Senate

PY0811151495 Santiago Universidad Catolica Television Internacional in Spanish 0000 GMT 8 Nov 95

[Speakers identified by screen captions]

[FBIS Translated Text] The government has submitted to the Senate the draft bill on human rights and arrested-missing people agreed on with the National Renewal Party [RN] which a group of legislators of the Coalition of Parties for Democracy [CPPD] object.

The demonstration against the agreement reached by the government and RN over human rights and arrested-missing staged with 30 women members of the Organization of Relatives of Arrested-Missing includes the blocking of Congress building entrances.

Although no incidents have been reported so far some CPPD legislators also reject the amended draft bill which they regard an expiration law.

[Begin recording] [Party for Democracy, PPD, Senator Sergio Bitar] There will be no agreement on human rights if there is no agreement on the constitutional reforms.

[Christian Democratic Party, PDC, Deputy Gabriel Ascencio] In our capacity as congressmen we have no right to pass a law that will approve impunity in this country. [end recording]

In the opinion of the government that submitted the new proposals to the Senate committee, this is vital to overcome the disagreements that exist within the CPPD.

[Begin recording] [Jose Joaquin Bruuner, minister secretary general of government] We believe that the important thing now is to be able to make simulatenous progress regarding this subject as well as the constitutional reforms. [end recording]

Anyhow, today not only the socialists but also senators and deputies of other governing parties are against this initiative.

The UDI [Independent Democratic Union] is the only political party that has an unanimous position regarding the human rights bill and the constitutional reforms.

The RN political commission, by majority and without tying one subject to the other, approved the human rights agreement and the constitutional reforms. In the latter case it approved the idea of improving the National Security Council.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The PPD has conditioned the approval of the human rights bill to the approval of all the reforms and the objection to [word indistinct].

Within the PDC there is also the possibility that some legislators may vote against the bill.

Within the Socialist Party, despite the objections, the final decision will be adopted by the central committee.

As for the UDI, its nationwide council has unanimously rejected the aspects of constitutional reform proposal referring to the national security country, the constitutional court, and designated senators. The UDI, however, has voiced its willingness to find a solution to the pending human rights problem.

[Begin recording] [UDI Chairman Jovino Novoa] We are going to insist on the need for the amnesty law to by implemented correctly and for the trials to end because cases involving incidents that took place 20 years ago cannot continue forever. [end recording]

In this sense he said that the UDI will not contribute to a formula that represents a superficial solution.

Nation Elected Alternate Member of UNGA

PY0811193295 Madrid EFE in Spanish 1708 GMT 8 Nov 95

[FBIS Translated Text] United Nations, 8 Nov (EFE) — Chile, the candidate of the Group of Latin American and Caribbean Countries (Grulac) for the alternate member seat that was left vacant by Argentina on 31 December after holding the seat for two years, was elected in the first voting in the UN General Assembly by getting 168 votes.

Chile was elected overwhelmingly because it surpassed the required two thirds or 113 votes. There were 169 valid votes because there were six abstentions, one null vote, and one vote for Mexico which was not a candidate.

Defense Minister: Civilian-Military Dialogue Resumed

PY0811193495 Santiago EL MERCURIO in Spanish 7 Nov 95 p C6

[FBIS Translated Excerpt] Defense Minister Edmundo Perez Yoma announced that the dialogue between politicians and military men has been resumed and that this will allow the drafting of an explicit defense policy by consensus "so that all Chileans will feel it is their own and in which we may really participate and uphold."

Perez Yoma made this statement during the launching of a book by his political adviser Gonzalo Garcia, entitled: "The Democratic Subordination of Military Men: Achievements and failures in Chile."

This book originated at the Center of Development Studies, CED. The minister noted the role of this organization by recalling that the first meetings of politicians and military men were held here.

He said: "I attended several of them; a lot of what I am doing now, and a lot of the policies we are implementing have resulted from meetings such as this one." [passage omitted]

Court Rejects Request To Prosecute Former CNI Chiefs

PY0911005195 Santiago Universidad Catolica Television Internacional in Spanish 0000 GMT 8 Nov 95

[FBIS Translated Text] The military court ruled that 12 members of the Manuel Rodriguez Front [FPMR] who died in the so-called Albania operation in 1987 were not killed during a clash with CNI [National Intelligence Center] agents, as was reported at the time, but were murdered.

Despite this ruling, and because of lack of sufficient evidence, the military court voted four to one in favor of rejecting a request submitted by the accusing party to prosecute four former chiefs of the defunct CNI.

Colombia

Opposition Leader Urges Samper To Allow Investigation

PA0911005595 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2310 GMT 8 Nov 95

[Communique issued and read by Andres Pastrana, leader of the New Democratic Force, following a meeting with President Ernesto Samper; place not given — live]

[FBIS Translated Text] Acting on an invitation made by the president of the Republic, I held a cordial meeting with him in which we had the opportunity to review the country's situation and the proposal he made yesterday, 7 November, on the occasion of the 10th anniversary of the holocaust at the Justice Palace.

I want to reiterate before public opinion what I have already pointed out. I have upheld — and under the current circumstances I will do it with greater conviction — that as a Colombian, I will always be willing to contribute to the search for solutions to the serious problems adversely affecting the nation.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

No Colombian, regardless of the place he occupies in society, can refuse to contribute with his work in this direction. That is why I have noted my permanent commitment to contribute to what I have called the country's reinstitutionalization.

Likewise, I told him that in my opinion the most important thing in initiating this task is finding a mechanism that can give credibility and legitimacy to the state's authority, which he embodies and which is the principal cause of the problems adversely affecting us.

In this regard, I respectfully asked him to promote an agreement of great truth by subjecting himself to an entity which, with absolute independence and impartiality, can clear up the accusations and charges surrounding the financing of his campaign, which I noted three days before the elections.

I believe the large majority of the Colombian people do not trust the current investigations at the Accusations Commission in Congress. In view of of this circumstance, the proper thing for the president to do would be to make a decision such as the one I suggested. If this proposal is fulfilled, I am sure all Colombians will be able to sit down at the same table to work together to push our dear Colombia forward.

It is not my desire to be in government. I do not believe that to serve the country we need to be a minister or hold positions in public administration. I have never understood politics that way. At the present moment, Colombians must reconcile politics with morals. I must admit that it was a conversation inspired by the best patriotic motivations. It was also a respectful and cordial meeting. I will always be ready to serve Colombia and its people in the forging of a better future.

I am convinced, as I have always been, that the most serious problems in the country require for their solution the participation of all Colombians of goodwill. This union of ideas and commitments cannot have any other objective but to agree on a series of mechanisms that can allow us to face our problems with the guerrillas, drug traffickers, common crime, kidnappers, and poverty with actions and not only with words, regardless of our ideological and political differences.

Of course, narco- and political corruption have undermined the credibility and legitimacy of institutions that were previously unquestionable, such as the presidency of the Republic itself.

We need a government that can have the moral authority to make appeals to the population. In my opinion this will not be possible while the office investigating the president of the Republic does not enjoy the respect and credibility of all Colombians. Thank you very much.

Samper Communique Rejects Proposal

PA0911035395 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0230 GMT 9 Nov 95

[From the "QAP News" newscast]

[FBIS Translated Text] We just received a communique from the Narino Palace, in which President Samper referred to the pronouncement of [former presidential candidate] Andres Pastrana.

Samper stated he cannot accept Pastrana's proposal because the Constitution mandates that the president's conduct be investigated by the Accusations Committee. He recalled that it was he who on three occasions asked the Prosecutor's Office to investigate the financing of electoral campaigns.

The president will continue this initiative against violence. He also stated: I don't regret having opened this space. This is a time for reconciliation, not confrontation; a time to defend what unites us as a nation, not what continues to poison us with hatred; a time to defend our institutions, not to take away legitimacy from them.

Foreign Trade Minister Submits Resignation

PA0811192595 Mexico City NOTIMEX in Spanish 1747 GMT 8 Nov 95

[FBIS Translated Text] Santa Fe de Bogota, 8 Nov (NOTIMEX) — Foreign Trade Minister Daniel Mazuera Gomez resigned today, 24 hours after his political movement rejected President Ernesto Samper's proposal to sign a governability pact. Local radio stations have reported that Mazuera, the nephew of murdered conservative leader Alvaro Gomez Hurtado, submitted his letter of resignation to Samper today.

Other Ministers Consider Resigning

PA0911024695 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 9 Nov 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Foreign Trade Minister Manuel Mazuera Gomez resigned today after his uncle Enrique Gomez Hurtado made strong criticisms against the government.

Meanwhile, Labor Minister Maria Sol Navia Velasco de Calderon, who is also a conservative, denied she has resigned — at least for the time being.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Begin recording] [Mazuera] What I want is the well-being of Colombia. I am not sure if the political crisis is good for the country. I believe what we have to do is to build a political project and push it forward. I believe it should be done outside the government.

[Unidentified reporter] Is the government weak?

[Mazuera] The government has many problems, unfortunately.

[Reporter] What about the president?

[Mazuera] The president is a man of goodwill who is doing what he can.

[Navia] There are two different positions. Some are in favor of remaining in the government and others believe they should leave. It is something that is being discussed inside the party leadership. The result of the discussion will surely determine the party's position in the future and logically our position in the cabinet. [end recording]

Prosecutor's Office Reaches Pact With Campaign Treasurer

PA0911025995 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 9 Nov 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Attention. We have last minute news. The Prosecutor General's Office of the Republic reached an agreement with Santiago Medina, the former treasurer of Ernesto Samper's campaign, which anticipates the negotiation of his sentence, and granted him house imprisonment. This agreement with Medina was sent to a faceless judge who will have to state his agreement or disagreement with the terms of the negotiations reached between Medina and the Prosecutor's Office.

If the judge approves, Medina will probably be transferred to his residence in the northern part of Bogota, where he will be given special protection. For the Prosecutor's Office, it is important that authorities ensure Santiago Medina's safety.

This newscast has also learned that the Prosecutor's Office, in a preventive measure, has ordered that all the assets of all the people who are being investigated in process 8000 be seized. This decision includes (Alberto Migato), Eduardo Mendez, and Santiago Medina himself, among others.

Army Captures FARC's Top Urban Militia Commanders

PA0811195795 Madrid EFE in Spanish 1829 GMT 8 Nov 95

[FBIS Translated Text] Santa Fe de Bogota, 8 Nov (EFE) — The Colombian Army captured two key Bolivarian Militia commanders and one other Bolivarian Militia member in Santa Fe de Bogota today. The Bolivarian Militia is the urban arm of the Revolutionary Armed Forces of Colombia (FARC).

General Rafael Hernandez Lopez, commander of the Army brigade in the Colombian capital, is not ruling out the detainees as possible suspects in the assassination of Alvaro Gomez Hurtado, a former Conservative Party presidential candidate and opposition leader. Hernandez identified one of those captured as Casimiro Gutierrez Castro, the leader of the Bolivarian Militia. The identity of the second-in-command of the FARC's urban arm was not disclosed. Commander Hernandez said that these guerrillas are responsible for the terrorist acts that have lately taken place in the Colombian capital. He did not rule out them out as possible suspects in the assassination of Alvaro Gomez Hurtado and adviser Attorney Jose del Cristo Huertas Hastamorir. Gomez, a 76-year-old attorney and journalist, was gunned down on 2 November as he was leaving the university where he taught law, at the north end of Santa Fe de Bogota. The FARC is the oldest and largest guerrilla group in this country and operates in some of Colombia's most important cities.

Ecuador

President Signs Energy Contract With U.S. Firm

PY0811162295 Quito Voz de Los Andes in Spanish 2300 GMT 7 Nov 95

[FBIS Translated Text] President Sixto Duran-Ballen defended the energy policy of his administration during the signing of a contract with a U.S. firm that will provide energy to the country.

[Begin Duran-Ballen recording] Since the first energy project was signed with [names indistinct], we have contracted plants to produce 1,604 megawatts, almost what we have now, over five or six years, which is an amount of energy similar to what the country had before 1992. The installations will not be completed until 1997 and 1998. These figures are important. The (?Sea Coast) company, which is represented here by its highest executive and endorsed by the presence of the U.S. ambassador, decided to participate with the best offer which included many companies from around the world and also decided to begin the installations and to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

prepare the equipment to be sent to the country. [end recording]

The equipment will begin arriving in the next 48 hours to generate about 200 megawatts of electricity. The contract is for six months but it can be extended.

Social Security Institute Campaigns Against Plebiscite

PY0811200695 Quito Voz de Los Andes in Spanish 2300 GMT 7 Nov 95

[FBIS Translated Text] Ecuadoran bureaucracy has embarked on a direct confrontation with the government by announcing that it will invest $160,000 to encourage votes against government aspirations in the upcoming plebiscite.

Sebastian Espinoza, member of the Higher Council of the Ecuadoran Social Security Institute, IESS, said the campaign, which requires an investment of 450 million sucres, will be disseminated by radio, press, and television. Espinoza said the campaign to support the No vote in the plebiscite will start on 10 November, nationwide.

The government called the Ecuadoran people to a plebiscite on 26 November to answer 11 basic questions on the reform of the Constitution. From the time the plebiscite was announced, detractors appeared, calling on the government to stop the plebiscite due to lack of time to organize it. The government remains firm in its decision to hold the plebiscite and two weeks ago began a big campaign on the questions to be asked and in support of the Yes vote. Of the 11 questions, the IESS basically opposes one which points out the possibility of opening a private pension system to compete with the services offered by the IESS.

Espinoza said there were plans to invest 2.5 billion sucres in the campaign supporting the No vote, but a less expensive campaign was coordinated because the situation of the IESS is very critical.

Peru

Foreign Minister Views U.S. Military Aid, Arms Embargo

PY0911014095 Lima Radio Programas del Peru Network in Spanish 1700 GMT 8 Nov 95

[Relay from the Jorge Chaves Airport by Ricardo Gomez]

[FBIS Translated Text] The U.S. arms embargo on Peru as a result of the conflict with Ecuador is currently being reviewed. This was stated by Peruvian Foreign Minister Francisco Tudela, who also explained that the U.S. Administration has not suspended military aid to Peru for next year, and that this is only a proposal made by the most radical nongovernmental organizations that was brought up in the U.S. Congress.

[Begin recording] [Tudela] The truth is that the media has overreacted to a proposal in Congress by the most radical nongovernmental organizations regarding Peruvian policy, a proposal that did not obtain enough support to bring about changes in U.S. foreign policy. The proposal was made by a political group with a specific interest.

The fact is that the U.S. Government is reviewing the arms embargo imposed on Peru as a result of the conflict with Ecuador, and, as far as we know, things are about to be fully normalized, if they have not been already.

[First unidentified reporter] It seems as if the people of the United States are not aware of the changes that have occurred in Peru in the last few years, because U.S. congressmen from different party blocs have again promoted [words indistinct] the changes made to Peruvian human rights policy.

[Tudela] Well, they do not travel abroad. One of the main problems is that they have an insular view of the world. This, of course, results in a lack of knowledge of the real situation outside their borders.

[Reporter] On the basis of a statement made by the deputy foreign minister, we understand that you plan to visit Bolivia soon. What issues do you plan to discuss during this visit?

[Tudela] The issues to be broached are within the framework of the bilateral agenda, such as the Ilo agreements, physical integration, the strengthening of bilateral ties, economic issues, etc. Therefore, this is a quite complete agenda.

[Second unidentified reporter] Could you inform us about the current status of the Lima Conventions issue?

[Tudela] The Lima Conventions are currently being reviewed by the members of the Consultative Committee, which is scheduled to meet by the end of the week, most likely. During this meeting, it will organize itself in the best manner to divide tasks and issue a final ruling on the Lima Conventions.

[First reporter] Will the Lima Conventions be revised, as was reported a few months ago?

[Tudela] Well, we will have to await the ruling of the Consultative Committee. If I made any prognosis, I would be jeopardizing the job. I believe, therefore, that they should enjoy sufficient freedom to determine what should be done.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Reporter] In addition, Foreign Minister Francisco Tudela, who has returned from Argentina, where he attended the Group of 15 summit on behalf of President Alberto Fujimori, confirmed that Ecuadoran Foreign Minister Galo Leoro will visit Lima in early December within the framework of the Amazon Cooperation Treaty.

He added that his Ecuadoran colleague is scheduled to make another visit to Peru in January 1996 to review the implementation of the border pacification process and the demarcation of the border. [end recording]

Fujimori Opposes Court Decision on Shining Path Leader

PY0711124895 Lima LA REPUBLICA in Spanish 22 Oct 95 p 4

[FBIS Translated Text] Legal specialists and opposition deputies have termed "unnecessarily aggressive" the statements by President Alberto Fujimori on a Supreme Court decision to adjudicate other cases against Shining Path leader Abimael Guzman Reinoso.

At the same time, they said that in light of the announced presidential noncompliance with a judicial branch decision, the only thing left for judges to do is to have their jurisdiction respected. Otherwise, they should resign because of an elementary feeling of personal and functional dignity.

Fujimori on 20 October said that "I will ban any new trial of Abimael Guzman, neither at civil courts nor at the Callao naval prison."

"National security comes first, and the executive branch will pay no attention to measures of this kind (new trials), even if they are ordered by the Supreme Court," he warned.

LA REPUBLICA sounded out public opinion. Those polled told the newspaper that democracy is marked by respect between the branches of government, because "none of the branches is more important than the others."

"I believe it was a surprising, unnecessarily aggressive statement. The Supreme Court decision has no effect whatsoever on the penalty that the military courts imposed on Abimael Guzman," former Senator Enrique Bernales Ballesteros has said.

He said it is a strictly judicial proceeding whereby a person may not fail to be prosecuted and punished for trials that were opened against him.

Bernales added: "The only practical effect of the Supreme Court resolution can be to add more life imprisonment penalties to someone who has already been punished with life imprisonment. On the other hand, the judicial branch can perform the trial in a top security facility."

Bernales Ballesteros said that for this reason, the statements by President Fujimori are "surprisingly aggressive," and they started a conflict of powers "where there was none."

"In the Peruvian constitutional system, and in general in all constitutional democracies, the administration of justice is independently fulfilled by the judicial branch, and if any state organ intends to fulfill it, it will be usurping a function that does not fall under its jurisdiction," he added.

Bernales said that with his remarks, President Fujimori expressed his "deep rejection" of democracy, of citizens' obligations, and of the meaning of "democratic life."

He said he "deeply deplores" the president's position, because with his popular support and with the success in various aspects of his government action, "he does not need to inflict an offense like the one he inflicted on another branch of government."

"I also deplore the situation in which Supreme Court members have been placed. If they do not insist on the fulfillment of what they decided, they have no other chance but to tender their collective resignation, because of an elementary feeling of personal and functional dignity," Bernales Ballesteros added.

Deputy Arturo Salazar Larrain, of the Renewal Movement, said that the division of the government into branches, the state of law, and the independence of government branches are features of democracy.

"It would be inappropriate for a branch of government to intervene in the affairs of the other. This is not a principle of justice," he added.

"President Fujimori might be right, but the courts consider the situation with totally different criteria," he remarked.

Salazar Larrain said that the Supreme Court and the judges must have their jurisdiction respected — and in no way relinquish them.

For his part, Deputy Jorge Avendano said that even though the judicial branch has operated within the law, there are some resolutions that are not legitimate "because they produce general social risks."

"It is necessary to see the difference between legality and legitimacy. The judicial branch, in such a serious case, should have consulted with the other branches of government, because a new trial of Abimael Guzman will produce no changes in the penalty," he remarked.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Avendano, a member of Union for Peru, said that President Fujimori has "overdone" and that "he is wrong" about the judicial branch role.

"I saw the president channeling his excessive rage against the judicial branch. It is deplorable to have a public confrontation between two branches of government, because the situation could have been handled in another way, because the image of the country is at stake," he said.

Avendano said he is sure that a vast majority of citizens do not want any minor changes in the penalty imposed on Abimael Guzman, and even less to allow him to serve his prison term in a prison other than the one in which he is now.

United Left Deputy Javier Diez Canseco emphasized that judicial branch actions are independent and are as important as those of the legislative and executive branches.

"The president is not empowered to tell the judicial branch what to do. That is, he cannot prohibit or impede its functions," he added.

He termed "absurd" the fact that a figure (Abimael Guzman), who appears on the television and who is interviewed on political programs every week, should be "isolated from the judicial branch, and that this branch should have less power than television."

He said that Guzman has been prosecuted for several crimes, and while being arrested, he can be prosecuted for actions that have not yet been brought to trial. This situation will not produce the summation of penalties, because this is not allowed by Peruvian law.

"In my opinion, the president is attempting to conceal — from the eyes of the courts — the real situation of Abimael Guzman. As we can see in the press and over the television, Guzman is visited by supporters and subordinates, he talks with them and he negotiates with government representatives," he noted.

Diez Canseco went even further, saying that "we should not forget the possibility of a future amnesty or pardon that might benefit Guzman for some crimes — and not for others — for which reason it would not be inappropriate to prosecute Guzman for all the crimes he committed."

State of Emergency Extended in Cusco Provinces

PY0811193695 Lima Global de Television Network in Spanish 1700 GMT 6 Nov 95

[FBIS Translated Text] The state of emergency has been extended in Chumbivilcas, Canas, and Canchis Provinces in Cusco Department because of domestic unrest.

The measure includes Lima and Callao Provinces. Thus, the constitutional rights of the people regarding the inviolableness of their residences, their right to move freely, to assemble without weapons, and to not be arrested unless a warrant is issued are inapplicable.

Venezuela

Ministry Considers IMF Recommendation on Subsidies

PA0811162695 Caracas Venezolana de Television Network in Spanish 0200 GMT 8 Nov 95

[Report by Zayda Pereira]

[FBIS Translated Text] The Energy and Mines Ministry is reviewing the decision to raise domestic gasoline prices in January, a particularly difficult decision in light of the fact that the private sector wants prices to rise 100 percent if subsidies are eliminated. Venezuela will no longer provide the liquified petroleum gas industry with 7 billion bolivars in subsidies annually, following the IMF's recent recommendation that subsidies be eliminated. The subsidy was provided after the private sector, which runs an industry worth 60 billion bolivares, said it could no longer support the cost of price-regulated gas tanks [bombonas]. Venezuela has made up for the difference in cost since 1987:

[Begin Energy and Mines Minister Erwin Arrieta recording] To what will any price adjustment in relation to gas tanks amount? We are reviewing figures on those who use the 97 kg tanks to find out if there will be PBT [expansion unknown] -related price increases. [end recording]

The government will have to study this situation carefully. Suspending 70 billion bolivars in government subsidies to the liquified petroleum gas industry will mean higher prices for the 80 percent of the population that uses this type of gas.

President: Date To Sign Lette. With IMF Not Set Yet

PA0911142895 Caracas Venezolana de Television Network in Spanish 1545 GMT 8 Nov 95

[FBIS Translated Text] A technical delegation from the IMF will arrive in our country today. The objective of the visit is to obtain a clear vision of Venezuela's economic and financial reality. The IMF technicians will meet with representatives of the Finance, Cordiplan [Office of Coordination and Planning], and Development

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Ministries to define the financial support the multilateral organization is planning to grant to the government to overcome the crisis.

Meanwhile, President Rafael Caldera has said in Argentina a date to sign a letter of intent with the IMF has not been set yet, adding that there are certain disagreements with the multilateral organization, because it wants immediate solutions while we want gradual ones.

As for the foreign exchange system, the president has said that he has always recognized that the exchange control system was temporary and that the reestablishment of a free exchange system will have an effect on the value of the currency until it reaches a reasonable rate:

[Begin Caldera recording] We are not considering a gradual or any other type of devaluation. We are considering a return to the free exchange system. To do so, we need the IMF's support, because if we fail to obtain it, we will be bound to be left without international reserves. [end recording]

Defense Minister Meets Colombian Counterpart

PA0911043095 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 9 Nov 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Our foreign affairs do not seem to be improving. Our Defense Minister Juan Carlos Esguerra visited Venezuela today. Both he and his Venezuelan counterpart gave opposing and controversial declarations regarding the border problems. The following is the satellite report we received from our correspondent Fabiana Steinmander:

[Begin recording] [Steinmander] Colombian Defense Minister Juan Carlos Esguerra arrived in Caracas today, amid a climate strongly adverse to Colombian policy in [words indistinct] especially after the events in the Perija area.

[Venezuelan Deputy Julio Montoya] I am requesting that the Venezuelan Government seriously discuss furthering hot pursuit [la persecucion en caliente]. This cannot continue any more. We have had enough. There have been too many abductions, and drug traffickers act with so much impunity in this area.

[Steinmander] The parliament did not approve the hot pursuit proposal, but unanimously backed the actions of the Armed Forces in Perija. Based on this support, the Venezuelan defense minister is now meeting with his Colombian colleague.

[Venezuelan Defense Minister Moises Orozco] For us, up to now, our (?EPS) indicates that the antenna is in Venezuelan territory.

[Esguerra] I respectfully disagree with Minister Orozco's position. Colombia is very clear in its position. We have established with the corresponding technical means and using the necessary instruments that the Inravision antenna is located on Colombian territory.

[Steinmander] The Venezuelans will demand that Colombia have a greater military presence in the area. Minister Esguerra also had an answer to this:

[Esguerra] The Colombian Government is reinforcing its presence, especially in our Arauca and Vichada departments. We recently strengthened our military presence in the Cesar department and particularly in the Perija mountain range area. [end recording]

[Paris AFP in Spanish at 2207 GMT on 8 November in a Caracas-datelined report adds: "Rejecting the possibility of a military coup against President Ernesto Samper, Colombian Defense Minister Juan Carlos Esguerra asserted in Caracas this Wednesday: 'Sabers are heard in Colombia only when there are military parades.'

["'And, as I recently stated, the confirmation of the military command demonstrated that the so-called "sounds of sabers" were made by "newspaper pages,"' added the Colombian official, referring to Colombian media reports that warn about the preparation of a military coup."]

Minister Presents 'Venezuelan Agenda' During Japan Visit

PA0811182695 Caracas EL GLOBO (ECONOMIA Supplement) in Spanish 3 Nov 95 p E2

[VENPRES report]

[FBIS Translated Text] Venezuelan Finance Minister Luis Raul Matos Azocar presented the "Venezuela Agenda" and listed business opportunities that the country offers to Japanese investors in the areas of privatization, hydrocarbons, forest exploitation, and mining during his visit to Tokyo.

Matos discussed Venezuela's economic outlook during the Andean Development Corporation [CAF] workshop entitled: "Japan and the Andean Nations Expand Business Opportunities and Instill Investor Confidence." Workshop participants included finance ministers and central bank presidents from the area — including Venezuela, Bolivia, Colombia, Ecuador, and Peru — and more than 200 Japanese businessmen and officials.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Matos met the director of Japan's Export/Import Bank, the head of the Finance Ministry's international directorate, the deputy foreign minister, the Foreign Ministry's director general for Latin American affairs, and the president and members of the Japanese Business Association on the Venezuelan Government's economic and monetary measures and meetings with multilateral economic organizations. Matos also took the opportunity to meet representatives of investment banks on the possibility of introducting on the Japanese market Venezuelan securities and vouchers that can be converted into shares in government enterprises that will be privatized.

CAF President Enrique Garcia described the workshop entitled "Japan and Andean Countries: A Great Business Opportunity," in which Minister Matos also participated, a complete success and just one example of the broad investment possibilities that Andean countries offer to industrialized economies.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.